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## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

MAY - 1 2012

GARY PIERCE - Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION OF  
PALO VERDE UTILITIES COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION OF  
SANTA CRUZ WATER COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0926

IN THE MATTER OF THE APPLICATION OF  
PALO VERDE UTILITIES COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-07-0300

IN THE MATTER OF THE APPLICATION OF  
SANTA CRUZ WATER COMPANY FOR AN  
EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-07-0300

ARIZONA WATER COMPANY, AN ARIZONA  
CORPORATION,

COMPLAINANT,

VS.

GLOBAL WATER RESOURCES, LLC, A  
FOREIGN LIMITED LIABILITY COMPANY;  
GLOBAL WATER RESOURCES, INC., A  
DELAWARE CORPORATION; GLOBAL  
WATER MANAGEMENT, LLC, A FOREIGN  
LIMITED LIABILITY COMPANY; SANTA  
CRUZ WATER COMPANY, LLC, AN ARIZONA  
LIMITED LIABILITY CORPORATION; PALO  
VERDE UTILITIES COMPANY, LLC, AN  
ARIZONA LIMITED LIABILITY

DOCKET NO. W-01445A-06-0200  
DOCKET NO. SW-20445A-06-0200  
DOCKET NO. W-20446A-06-0200  
DOCKET NO. W-03576A-06-0200  
DOCKET NO. SW-03575A-06-0200

CORPORATION; GLOBAL WATER – SANTA  
CRUZ WATER COMPANY, AN ARIZONA  
CORPORATION; GLOBAL WATER – PALO  
VERDE UTILITIES COMPANY, AN  
ARIZONA CORPORATION; JOHN AND JANE  
DOES 1-20; ABC ENTITIES I-XX,

RESPONDENTS.

IN THE MATTER OF THE JOINT  
APPLICATION OF CP WATER COMPANY  
AND FRANCISCO GRANDE UTILITIES  
COMPANY TO TRANSFER THEIR  
CERTIFICATES OF CONVENIENCE AND  
NECESSITY AND ASSETS TO PALO VERDE  
UTILITIES COMPANY AND SANTA CRUZ  
WATER COMPANY.

DOCKET NO. WS-01775A-07-0485  
DOCKET NO. SW-03575A-07-0485  
DOCKET NO. W-02442A-07-0485  
DOCKET NO. W-03576A-07-0485

DECISION NO. 73146

**OPINION AND ORDER**

DATES OF HEARING: June 8 and 9, 2009

PLACE OF HEARING: Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE: Dwight D. Nodes<sup>1</sup>

APPEARANCES: Mr. Steven Hirsch and Mr. Rodney Ott, BRYAN  
CAVE, LLP, and Mr. Robert W. Geake, on behalf of  
Arizona Water Company;

Mr. Timothy Sabo, ROSHKA, DEWULF & PATTEN,  
PLC, on behalf of Palo Verde Utilities and Santa Cruz  
Water Company;

Mr. Craig A. Marks, CRAIG A. MARKS, on behalf of  
Francisco Grande Utility Company; and

Mr. Charles Hains, Staff Attorney, Legal Division, on  
behalf of the Utilities Division of the Arizona  
Corporation Commission.

**BY THE COMMISSION:**

\* \* \* \* \*

Having considered the entire record herein and being fully advised in the premises, the  
Commission finds, concludes, and orders that:

**FINDINGS OF FACT**

**I. PROCEDURAL HISTORY**

<sup>1</sup> Administrative Law Judge Dwight D. Nodes conducted the hearing in this matter. The Recommended Opinion and Order was drafted by Administrative Law Judge Yvette B. Kinsey.

1           1.     Global-Santa Cruz Water Company, LLC (“Global-Santa Cruz”) and Global-Palo  
2 Verde Utilities (“Global-Palo Verde”) (collectively “the Global Utilities”)<sup>2</sup> filed the first of a series of  
3 competing Certificate of Convenience and Necessity (“CC&N”) extension applications with the  
4 Arizona Corporation Commission (“Commission”) on December 28, 2005.<sup>3</sup> The Global Utilities are  
5 limited liability corporations owned by Global Water Resources, LLC (“GWR”). At the time the  
6 application was filed, Global-Santa Cruz served approximately 9,650 water customers and Global-  
7 Palo Verde served more than 9,500 wastewater customers.<sup>4</sup>

8           2.     The CC&N extension application requested an extension of the Global Utilities’  
9 respective water and wastewater CC&Ns to include more than 69 square miles in the Maricopa/Casa  
10 Grande geographic areas in Pinal County.<sup>5</sup> The application proposed extending Global-Santa Cruz’s  
11 CC&N to include 19,300 acres, or 30 sections of land, and to include 26,000 acres, or 40 sections of  
12 land, in Global-Palo Verde’s CC&N.<sup>6</sup> The proposed service area for Global-Palo Verde was larger  
13 because the application requested approval to provide wastewater service in some areas where  
14 Arizona Water Company (“AWC”) currently holds a CC&N to provide water service.<sup>7</sup> According to  
15 the application, the Global Utilities planned to serve several proposed master planned communities  
16 within portions of the extension areas.<sup>8</sup> The Global Utilities’ application acknowledged that AWC’s  
17 CC&N was located within the proposed extension area, but indicated that Global-Santa Cruz was not  
18 requesting an extension into AWC’s certificated area. However, Global-Santa Cruz stated that it *may*  
19 seek to serve the AWC areas where Global-Palo Verde had wastewater requests for service in order  
20 to provide a more integrated approach in the proposed extension areas.<sup>9</sup> The Global Utilities’  
21 application included 52 requests for service, covering 100 percent of the requested extension area.<sup>10</sup>

22           3.     On March 29, 2006, AWC filed an application with the Commission for an extension  
23

24 <sup>2</sup> In Decision No. 69920 (September 27, 2007), the Commission approved the requests of Palo Verde Utilities Company,  
25 LLC, and Santa Cruz Water Company, LLC, to transfer their respective assets and CC&Ns to the newly formed  
corporations known as Global Water-Palo Verde and Global Water-Santa Cruz.

<sup>3</sup> Global Utilities’ application filed in Docket No. W-03576A-05-0926.

<sup>4</sup> Staff Report dated October 26, 2006 at 1.

<sup>5</sup> Id. at 1.

<sup>6</sup> Id. at 2.

<sup>7</sup> Staff Report dated October 26, 2006 at 3.

<sup>8</sup> Global Utilities’ application filed in Docket No. W-03576A-05-0926.

<sup>9</sup> Id. at 2.

<sup>10</sup> Id.

1 of its Casa Grande system CC&N, to include virtually the same areas requested in the Global  
 2 Utilities' application.<sup>11</sup> AWC provides water service to approximately 84,000 customers in 22  
 3 systems throughout Arizona,<sup>12</sup> but does not provide wastewater service.<sup>13</sup> On the same date, AWC  
 4 filed a request to intervene in the Global Utilities' CC&N extension docket. Intervention was granted  
 5 by Procedural Order on April 12, 2006.

6 4. AWC's CC&N application included parcels of land adjacent to AWC's existing  
 7 CC&N, as well as other areas.<sup>14</sup> AWC's application requested the extension of 112 parcels of land,  
 8 or approximately 70,000 acres, into AWC's Casa Grande CC&N.<sup>15</sup> AWC provided four requests for  
 9 service totaling approximately 200 acres and attached to its application the 52 requests for service  
 10 filed with the Global Utilities' application.<sup>16</sup> AWC's application also requested an extension of  
 11 AWC's CC&N to include the existing certificated area of CP Water Company ("CP Water"). CP  
 12 Water subsequently filed a motion to be excluded from AWC's proposed extension area.<sup>17</sup>

13 5. On March 29, 2006, AWC filed a Formal Complaint against GWR and various GWR  
 14 affiliates alleging that GWR was conducting business as a public service corporation; that GWR was  
 15 illegally using financing arrangements and fee demands; and that GWR was illegally infringing on  
 16 AWC's CC&N and interfering with AWC's customers ("Complaint Docket").<sup>18</sup>

17 6. On April 7, 2006, the Global Utilities filed a request to intervene in the AWC CC&N  
 18 extension docket.<sup>19</sup> Contemporaneously, 14 of the 52 property owners for which the Global Utilities  
 19 had received requests for service filed objections to being included in AWC's proposed CC&N  
 20 extension area.<sup>20</sup> Subsequently, 11 of the 52 property owners filed and were granted intervention in  
 21 the AWC CC&N extension docket.<sup>21</sup>

22 7. On May 17, 2007, the Global Utilities filed a second application requesting an  
 23

24 <sup>11</sup> Docket No. W-01445-06-0199. On March 31, 2006, AWC filed a Formal Complaint against the Global Utilities and  
 various Global entities in Docket No. W-01445-06-0200.

<sup>12</sup> Prepared Testimony of William M. Garfield, Exhibit A-1 at 8.

<sup>13</sup> Staff Report dated October 26, 2006 at 1.

<sup>14</sup> AWC's application at 2.

<sup>15</sup> Staff Report filed in Docket No. W-01445-06-0199 dated October 26, 2006.

<sup>16</sup> Staff Report dated April 10, 2009 in Docket No. W-01445A-06-0199 et al.

<sup>17</sup> Motion to Exclude filed June 6, 2006 in Docket No. W-01445A-06-0199.

<sup>18</sup> See Docket No. W-01445A-06-0200 et al.

<sup>19</sup> Motion to Intervene dated April 6, 2006.

<sup>20</sup> Docket No. W-01445-06-0199.

<sup>21</sup> Id.



1 extension of their respective CC&Ns to include the same general area in Pinal County where AWC  
 2 provides service.<sup>22</sup> The application included a request for service from CHI Construction Company  
 3 (“CHI”) requesting that the Global Utilities provide integrated water and wastewater services to  
 4 CHI’s proposed master planned community called Legends.<sup>23</sup> According to the application, Legends  
 5 would encompass 7,000 acres near the City of Casa Grande (“Casa Grande”), in Pinal County.<sup>24</sup> Out  
 6 of those 7,000 acres, Global-Santa Cruz sought 1,400 acres and Global-Palo Verde 3,300 acres.<sup>25</sup>  
 7 The application stated that the requested CC&N extension areas were not in the certificated area of  
 8 any water or wastewater provider.<sup>26</sup> Further, the application stated that the portions of the requested  
 9 extension areas were located within the CC&N of CP Water and Francisco Grande Utilities Company  
 10 (“Francisco Grande”), and that the Global Utilities’ parent company, GWR, had recently acquired the  
 11 equity of both CP and Francisco Grande and would be filing an application with the Commission to  
 12 transfer the assets and CC&Ns of CP and Francisco Grande to Global-Santa Cruz and Global-Palo  
 13 Verde, respectively.<sup>27</sup> AWC filed a motion to intervene in the Global Utilities’ second CC&N  
 14 extension docket, stating that AWC was “first in the field” and AWC had facilities located adjacent  
 15 and contiguous to the proposed extension area.<sup>28</sup> AWC was granted intervention in the Global  
 16 Utilities’ extension docket. AWC also requested consolidation of the two Global Utilities dockets  
 17 with the AWC CC&N extension docket. The three dockets were consolidated by Procedural Order  
 18 issued December 20, 2007.

19 8. On August 20, 2007, Francisco Grande and CP Water filed an application to transfer  
 20 their assets and CC&Ns to the Global Utilities (“Transfer Docket”).<sup>29</sup> The application specifically  
 21 requested that Francisco Grande’s wastewater CC&N and assets be transferred to Global-Palo Verde  
 22 and that CP Water’s CC&N and assets be transferred to Global-Santa Cruz.<sup>30</sup> AWC requested  
 23 intervention in the Transfer Docket, stating that AWC has been providing all water service to  
 24

25 <sup>22</sup> Global Utilities application filed in Docket No. SW-03575A-07-0300.

26 <sup>23</sup> Global Utilities application filed in Docket No. SW-03575A-07-0300, Exhibit 2.

27 <sup>24</sup> Id. at 2.

28 <sup>25</sup> Id.

29 <sup>26</sup> Id.

30 <sup>27</sup> Id.

<sup>28</sup> AWC’s Motion to Intervene dated May 17, 2007.

<sup>29</sup> Application filed in Docket No. WS-01775A-07-0485.

<sup>30</sup> Id.

1 customers of CP Water since 1985 and that AWC had an interest in the proceeding.<sup>31</sup> AWC was  
 2 granted intervention in the Transfer Docket by Procedural Order issued December 6, 2007.

3 9. In response to the issues raised in the competing CC&N extension dockets and  
 4 Transfer docket, Staff filed a Staff Report and suggested the following three options to resolve the  
 5 issues:

- 6 1. Grant each of the two water companies the areas for which they  
 7 have requests for service;
- 8 2. Grant AWC approval to serve the areas for which there are  
 9 requests for service which are contiguous to AWC's current  
 10 service territory, regardless of which utility received the request for  
 11 service, and to grant to Global-Santa Cruz those areas which are  
 12 not contiguous to AWC current service area; or
- 13 3. Grant Global-Santa Cruz approval to serve the areas for which  
 14 there are requests for service north of Korston Road and grant  
 15 AWC approval to serve the areas south of Korston Road based on  
 16 the location of the Utilities' major water utility plant.<sup>32</sup>

17 10. Staff explained that Option 1 would effectively approve the application of the Global  
 18 Utilities, and limit AWC's request to extend its CC&N to approximately 200 acres for which it had  
 19 requests for service.<sup>33</sup> Staff noted the efficiencies that would be achieved in the extension area due to  
 20 Global-Palo Verde's and Global-Santa Cruz's ability to offer integrated water and wastewater  
 21 services in the areas.<sup>34</sup> In addition, Staff asserted that Option 1 recognizes the importance of requests  
 22 for service in extension of CC&Ns.<sup>35</sup>

23 11. Staff stated that Option 2 creates efficiencies in as far as extensions of service would  
 24 be shorter and less costly because AWC has facilities in the area.<sup>36</sup> However, Staff expressed  
 25 concern that Option 2 would leave property owners and developers dissatisfied if they desired to have  
 26 integrated water and wastewater services provided by the Global Utilities.<sup>37</sup> Further, Staff stated that  
 27 Option 2 may hamper the Global Utilities' ability to expand their service territories in the  
 28 southeastern direction of the proposed extension areas.<sup>38</sup>

25 <sup>31</sup> Motion to Intervene dated September 24, 2007.

26 <sup>32</sup> Staff Report dated October 26, 2006 at 3.

27 <sup>33</sup> Id. at 6.

28 <sup>34</sup> Id.

<sup>35</sup> Id.

<sup>36</sup> Id.

<sup>37</sup> Id.

<sup>38</sup> Id.

1           12. Staff indicated that Option 3 would afford both AWC and Global-Santa Cruz the  
2 ability to expand their respective service areas without having to compete for territory.<sup>39</sup> Staff stated  
3 that although the north/south line (Korston Road) may appear arbitrary, it was based on Global-Santa  
4 Cruz's indication that its major water facilities will be constructed north of Korston Road.<sup>40</sup>

5           13. Staff recommended that only the areas where there were requests for service be  
6 included in the CC&N extensions.<sup>41</sup> Staff also expressed concerns regarding AWC's request to  
7 extend its CC&N into CP Water's CC&N area.<sup>42</sup> Staff stated that even though AWC has been  
8 providing water to CP, that fact did not diminish CP Water's rights under its existing certificate.<sup>43</sup>  
9 Staff concluded that AWC had not shown that it is in the public interest to cancel CP Water's CC&N  
10 and award it to AWC.<sup>44</sup> Further, Staff asserted that to do so would set a precedent for a utility losing  
11 its CC&N due to the utility having services provided to it from a management company.<sup>45</sup> Staff  
12 recommended denial of AWC's request to include CP's CC&N area in AWC's CC&N.<sup>46</sup> By  
13 Procedural Order issued December 18, 2006, CP Water's motion to be excluded from AWC's  
14 proposed CC&N extension area was granted.

15           14. At the request of AWC, the Global Utilities and AWC CC&N extension dockets, the  
16 Transfer docket, and the Complaint docket were consolidated for purposes of resolution and hearing.

17           15. On December 22, 2010, the Commission's Hearing Division issued its Recommended  
18 Opinion and Order ("ROO") in the above-captioned matter.

19           16. December 30, 2010, AWC and Global Utilities filed a Request for an Extension of  
20 Time to File Exceptions to the ROO and Request for Accelerated Consideration.

21           17. On January 11, 2011, by Procedural Order, the Utilities' Request for an extension of  
22 time, until February 21, 2011, to file exceptions to the ROO, was granted.

23           18. On February 16, 2011, Global Utilities filed a Motion to Withdraw the Francisco  
24 Grande Transfer Application.

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25 <sup>39</sup> Id.

26 <sup>40</sup> Id.

27 <sup>41</sup> Id. at 6.

28 <sup>42</sup> Id. at 4.

<sup>43</sup> Id.

<sup>44</sup> Id.

<sup>45</sup> Id.

<sup>46</sup> Id.

1           19.     On February 16, 2011, Craig A. Marks, Esq. filed a Notice of Substitution of Counsel  
2 on behalf of Francisco.

3           20.     On February 22, 2011, Francisco filed a request for an extension of time to file  
4 exceptions to the ROO; Francisco filed a response objecting to Global Utilities' motion to withdraw  
5 the transfer application; and Global Utilities and AWC filed exceptions to the ROO, requesting  
6 among other things, technical modifications to the ROO's recommended CC&N extension areas.

7           21.     On February 24, 2011, the Global Utilities filed a reply to Francisco's response to the  
8 motion to withdraw.

9           22.     On the same date, the Global Utilities filed a Response in Opposition to Francisco's  
10 Motion for an Extension of Time.

11          23.     On February 24, 2011, Francisco filed a Motion to Reopen Record to Hear Additional  
12 Testimony.

13          24.     On March 4, 2011, Global Utilities filed a response objecting to Francisco's motion to  
14 reopen the record in this proceeding.

15          25.     On March 7, 2011, Staff filed a response to Global Utilities' motion to withdraw the  
16 Francisco application, stating Staff had no objection to the withdrawal of the application.

17          26.     On March 8, 2011, Francisco filed a Reply to Staff's Response to Global's Motion to  
18 Withdraw Francisco Grande's application, which stated that Francisco no longer objected to  
19 withdrawal of the transfer application, but that Francisco requested to remain a party to the  
20 consolidated proceeding.

21          27.     On the same date, Francisco filed a Reply to Global Utilities Response to Motion to  
22 Reopen Record.

23          28.     On March 18, 2011, by Procedural Order, a procedural conference was scheduled for  
24 March 22, 2011, to discuss the pending motions.

25          29.     On March 22, 2011, a procedural conference was held as scheduled to discuss the  
26 pending motions. Staff and the parties appeared through counsel. At the conclusion of the  
27 procedural conference, the matter was taken under advisement.

28          30.     On May 3, 2011, by Procedural Order, Global Utilities motion to withdraw the

1 transfer application and Francisco's request to remain a party to this proceeding was granted.  
2 Further, Docket Nos. SW-03575A-07-0300 et. al. was administratively closed.

3 31. On May 11, 2011, by Procedural Order, the parties were directed to clarify the  
4 technical exceptions that had been filed, by filing either jointly or individually amended maps and  
5 supporting documentation identifying the areas where there was disagreement with the ROO.

6 32. On May 25, 2011, AWC, Global Utilities, and Staff jointly filed a motion for an  
7 extension of time to comply with the May 11, 2011, Procedural Order.

8 33. On May 31, 2011, by Procedural Order, the parties' and Staff's joint motion for an  
9 extension of time was granted.

10 34. On June 24, 2011, AWC and Global Utilities filed clarifying comments and amended  
11 maps.

12 35. On June 22, 2011, Staff filed its response to the parties' June 24, 2011, filing.

13 **II. SETTLEMENT AGREEMENT BETWEEN AWC AND GLOBAL**

14 36. On May 15, 2008, AWC and the Global Utilities (collectively "the Utilities") executed  
15 a Settlement Agreement ("Agreement") (attached hereto as "Exhibit A"). The Agreement purports to  
16 resolve the issues raised in the competing CC&N extension applications, the Transfer docket, and the  
17 Complaint docket.<sup>47</sup> The Global Utilities described the time leading up to the Agreement as a battle  
18 raging on between AWC and the Global Utilities for more than 600 days.<sup>48</sup> AWC stated that the  
19 disagreement was of "such a magnitude that the City of Casa Grande and the Mayor of Maricopa met  
20 with the Companies and encouraged us to settle our differences."<sup>49</sup> The Global Utilities further stated  
21 that rather than being faced with lengthy hearings, briefings, and possible appeals, as well as the  
22 uncertainty the litigation was creating in the development communities in the proposed extension  
23 areas, the parties realized that the best way to move forward was to reach a settlement they could both  
24 live with.<sup>50</sup>

25 37. Subsequently, AWC and the Global Utilities filed amended applications for extension  
26

27 <sup>47</sup> See Settlement Agreement.

28 <sup>48</sup> Initial Testimony of Graham Symmonds in Support of Settlement Agreement, Exhibit G-1 at 3.

<sup>49</sup> Tr. at 88.

<sup>50</sup> Initial Testimony of Graham Symmonds in Support of Settlement Agreement, Exhibit G-1 at 3.

1 of their respective CC&Ns reflecting the provisions set forth in the Agreement. In addition, AWC,  
 2 the Global Utilities, and Staff filed additional evidence and testimony in support of the Agreement.  
 3 On June 8 and 9, 2009, hearings were conducted in the consolidated proceeding.

4 38. The Agreement establishes "Planning Areas" for each party; contemplates each party  
 5 receiving a specified CC&N extension within their proposed Planning Areas; lays the ground work  
 6 for increased cooperation between AWC and the Global Utilities for the use of reclaimed water; and  
 7 ends the lengthy dispute that has consumed the resources of AWC, the Global Utilities, and Staff.<sup>51</sup>  
 8 As part of the Agreement, AWC agreed to dismiss the Complaint filed against Global if the  
 9 Agreement is approved by the Commission.<sup>52</sup> Further, AWC states that the Agreement supports  
 10 compelling public interests because the amended CC&N extension areas follow logical and  
 11 supportable geographic boundaries in Pinal County, and encourages the use of reclaimed water  
 12 throughout the proposed areas.<sup>53</sup>

13 39. AWC asserts the three options presented in Staff's original Staff Report helped to  
 14 form the basis for the Agreement.<sup>54</sup> AWC contends that Staff's option three (described above)  
 15 suggested a practical rationale for the Planning Areas and for dividing the CC&N extension areas by  
 16 recommending that AWC serve the area south of Korston Road and that Global-Santa Cruz serve the  
 17 area north of Korston Road.<sup>55</sup> Mr. Garfield stated:

18 Staff's view of the dividing line between the two water providers was  
 19 driven by the water utility plant planned for construction by Global-Santa  
 20 Cruz Water Company for the area north of Korston Road, in other words,  
 21 following a logical and rational approach. Staff's reasoning is precisely  
 the rationale that AWC and Global Water adopted in establishing logical  
 and practical boundaries for their respective planning areas and in  
 establishing the CC&N extension areas requested by both utilities.<sup>56</sup>

22 40. AWC further contends that there are compelling public interest benefits for the  
 23 Commission to approve the Agreement, which include:

24 1. The amended CC&N extension applications and the Planning

25 <sup>51</sup> Id. at 4.

26 <sup>52</sup> Id.

<sup>53</sup> Prepared Testimony of William M. Garfield on behalf of AWC, Exhibit A-1 at 6.

27 <sup>54</sup> Rebuttal Testimony of William M. Garfield, Exhibit A-2 at 25. See also Direct Testimony of Graham Symmonds,  
 Exhibit G-1 at 7.

28 <sup>55</sup> Id.

<sup>56</sup> Id.

Areas described in the Agreement follow logical and supportable geographic boundaries between major thoroughfares in Pinal County, consistent with the concept behind an earlier allocation of territory proposed by Staff;

2. The Agreement includes the expanded use of reclaimed water, which will reduce reliance on other water resources that may be used for potable purposes, including both renewable and non-renewable sources of water;
3. AWC and Global, the two largest and most significant water service providers in the Pinal Valley area will set aside their differences, and will work cooperatively to assist and expand water conservation efforts, provide for prudent, sustainable uses of groundwater and other water resources, and encourage and provide for the expanded use of reclaimed water; and
4. Global, AWC, Staff, and the Commission will avoid the expense and use of increasingly limited resources that would otherwise be expended on prosecuting the contested CC&N application, and Complaint, and thereby achieve the compelling public benefits.<sup>57</sup>

41. AWC and the Global Utilities specifically request that the Commission approve the Agreement, including the amended CC&N extension applications and the Planning Areas.<sup>58</sup>

42. Staff believes that the Agreement, by resolving the dispute over the service territories and the Complaint filed by AWC against Global, reduces the legal costs and time of both utilities.<sup>59</sup> Further, Staff believes the Agreement should aid the Utilities in their efforts to plan capital improvements and would offer a higher degree of certainty regarding the enforceability of the Agreement.<sup>60</sup> However, Staff does not believe it is necessary for the Commission to “give its stamp of approval” on the Agreement.<sup>61</sup> Staff asserts that the Commission’s explicit approval of the Agreement would limit the Commission’s future discretion. Staff witness Linda Jaress stated that the Commission “should retain its flexibility to choose among the universe of water utilities to serve an area and not limit itself to specific companies.”<sup>62</sup> Ms. Jaress indicated that the issue is whether “it is beneficial for the Commission . . . to put its approval on an agreement that divides up service territories well in advance of when service is needed.”<sup>63</sup>

43. In support of its recommendation, Staff cited a prior case involving competing CC&N

<sup>57</sup> Testimony of William M. Garfield on behalf of AWC dated January 12, 2009, Exhibit A-1.

<sup>58</sup> Prepared Testimony of William M. Garfield, Exhibit A-1 at 24.

<sup>59</sup> Staff Exhibit S-2, Direct Testimony of Linda A. Jaress dated April 10, 2009 at 1.

<sup>60</sup> Id. Tr. at 47.

<sup>61</sup> Staff Exhibit S-2 at 1.

<sup>62</sup> Id. at 2.

<sup>63</sup> Tr. at 49.

1 extension applications filed by Johnson Utilities, Inc., ("Johnson"), and Diversified Water Company  
 2 ("Diversified") (collectively "Johnson/Diversified") in Docket No. W-02859-04-0844. The  
 3 Johnson/Diversified proceeding involved competing CC&N extension applications to provide utility  
 4 service to several parcels of land located in Pinal County.<sup>64</sup> After more than a year of litigation,  
 5 Johnson and Diversified executed a settlement agreement under which each party agreed to seek  
 6 CC&N extensions for mutually agreed upon areas and to not seek to extend their certificates or  
 7 operations within the other's planning areas.<sup>65</sup> Staff indicated that Johnson and Diversified have been  
 8 operating under an agreement similar to the AWC/Global Utilities' Agreement, despite the lack of  
 9 Commission approval of the Johnson/Diversified agreement.<sup>66</sup>

10 44. AWC contends that the Johnson/Diversified settlement can be distinguished from this  
 11 proceeding because Johnson/Diversified involved a much smaller area and did not involve regional  
 12 planning for water, wastewater, and reclaimed water.<sup>67</sup> AWC also claims that the  
 13 Johnson/Diversified parties did not explicitly ask the Commission to approve the agreement, but only  
 14 asked that the Commission "acknowledge the efforts of the companies and that the Letter of Mutual  
 15 Understanding, Cooperation and Settlement is consistent with the public interest."<sup>68</sup> Further, AWC  
 16 asserts that in the Johnson/Diversified case, the Commission never presented any substantive  
 17 arguments against approving the settlement agreement, but that the Commission implicitly approved  
 18 the agreement by granting CC&N extensions consistent with the settlement.<sup>69</sup>

19 **A. Benefits of Settlement Agreement Asserted By the Utilities**

20 **1. Establishment of Planning Areas**

21 45. The Global Utilities and AWC assert that there are public policy and public interest  
 22 benefits to the Commission approving the Planning Areas, which include: 1) promotion of reclaimed  
 23 water usage; 2) resolution of current and future disputes; and 3) the use of regional planning.  
 24 According to the Utilities, the Agreement establishes Planning Areas for both AWC and the Global  
 25

26 <sup>64</sup> Decision No. 70181 (February 27, 2008) at 1.

27 <sup>65</sup> Joint Settlement Statement of Johnson Utilities Company and Diversified Water Utilities, Inc., Docket No. W-02859A-04-0844.

28 <sup>66</sup> Staff Exhibit S-2 at 2.

<sup>67</sup> Tr. at 153.

<sup>68</sup> AWC's Post-Hearing Response Brief at 6.

<sup>69</sup> Id.



1 Utilities (see Exhibit A attached hereto). The Global Utilities' Planning Area includes parcels of land  
 2 near the Global Utilities' existing service areas in the City of Maricopa ("Maricopa") area; the  
 3 Southwest Service Area (southwest of Maricopa and the Ak-Chin Indian Community); the Francisco  
 4 Grande area; and the area between Francisco Grande and Maricopa.<sup>70</sup> AWC's Planning Area  
 5 includes parcels of land adjacent to AWC's existing Casa Grande, Stanfield, Coolidge, and Arizona  
 6 City service areas.<sup>71</sup> The Global Utilities assert that the Planning Areas will help facilitate future  
 7 regional planning efforts.<sup>72</sup>

8         46. The Global Utilities contend that the Commission's approval of the Planning Areas  
 9 will avoid future certificate disputes in the area and that the Planning Areas will allow for much  
 10 needed regional planning in the area.<sup>73</sup> According to the Global Utilities, the parcels of land within  
 11 "the planning areas are uncertificated areas that lie in between the existing certificates of AWC and  
 12 the Global Utilities. . . and the geography naturally leads to rivalry and disputes over the in-between  
 13 areas [and] absent approval of the planning areas future disputes are a distinct possibility."<sup>74</sup> The  
 14 Global Utilities' witness stated that approval of the Planning Areas would allow the parties to plan  
 15 "the most efficient locations to place mains, treatment plants . . . to take maximum advantage of  
 16 gravity flows" as well as to "size facilities on a regional basis, to capture economies of scale."<sup>75</sup>  
 17 AWC asserts that the Planning Areas are "located in an area that has limited access to surface water  
 18 resources and project significant customer growth . . . therefore, the demands on water resources  
 19 require long-term water resource and service area planning to assure that current and future  
 20 customers continue to receive reliable water service."<sup>76</sup> Both AWC and the Global Utilities believe  
 21 the Planning Areas will provide a degree of certainty moving forward because they will have known  
 22 boundaries to use for starting the planning process.<sup>77</sup> The parties concur that a degree of certainty  
 23 and the ability to plan service areas is a benefit for both the Utilities and the public.<sup>78</sup>

24  
 25 <sup>70</sup> Initial Testimony of Graham Symmonds in Support of Settlement Agreement, at 5.

26 <sup>71</sup> Id.

27 <sup>72</sup> Initial Testimony of Graham Symmonds in Support of Settlement Agreement, at 6.

28 <sup>73</sup> Id.

<sup>74</sup> Id.

<sup>75</sup> Id.

<sup>76</sup> Testimony of William M. Garfield on behalf of AWC, at 24.

<sup>77</sup> Tr. at 276.

<sup>78</sup> Tr. at 277.

1           47. Staff recommended that the Commission deny the Utilities' request for approval of the  
 2 Planning Areas.<sup>79</sup> Staff stated that Commission approval of Planning Areas, and the Agreement in  
 3 general, may:

- 4                   1. Implicitly reserve service territories for the Global Utilities and  
 5                   AWC;
- 6                   2. Imply approval of accompanying costs for regional planning and  
 7                   approval of excess capacity in rate cases;
- 8                   3. Result in higher costs if the Planning Areas are enforced and  
 9                   development in the Planning Areas occurs in unanticipated areas;
- 10                  4. AWC and the Global Utilities could evolve into companies which  
 11                  are no longer fit or proper to provide service to new areas; and
- 12                  5. Result in the Commission acting as an arbitrator, if disputes arise  
 13                  over the Planning Areas.<sup>80</sup>

14           48. Staff also raised concerns that the Commission's approval of the Planning Areas could  
 15 signal to other utilities that they should seek planning areas adjacent to their CC&Ns for the purpose  
 16 of long-range planning.<sup>81</sup> Staff's witness stated that a flood of requests for approval of Planning  
 17 Areas by utilities, to ward off other utilities invading the areas adjacent to their CC&N areas, could  
 18 have a draining effect on Commission resources.<sup>82</sup> Staff expressed further concern that if a utility  
 19 builds plant in an approved Planning Area without requests for service in the area, it may appear  
 20 contradictory for the Commission to later deny recovery of the cost of the plant even though there is  
 21 not an immediate need for service.<sup>83</sup>

22           49. Staff's witness testified that other problems could arise if the Commission approves  
 23 the Planning Areas.<sup>84</sup> Staff explained that although the Utilities are currently fit and proper entities to  
 24 receive an extension of their respective CC&Ns, the companies may evolve into companies which are  
 25 no longer fit or proper to serve the Planning Areas, or a new utility may emerge that could offer the  
 26 same services at lower costs to the public.<sup>85</sup>

27           50. The Utilities claim that the Commission's approval of the proposed Planning Areas

28 <sup>79</sup> Staff Exhibit S-2, Direct Testimony of Linda A. Jaress dated April 10, 2009 at 2.

<sup>80</sup> Id.

<sup>81</sup> Tr. at 68.

<sup>82</sup> Id. and Tr. at 70.

<sup>83</sup> Direct Testimony of Linda A. Jaress, Exhibit S-2 at 2.

<sup>84</sup> Tr. at 45.

<sup>85</sup> Id. See also Tr. at 45.

1 would not constitute pre-approval of a CC&N area.<sup>86</sup> However, the Utilities assert that approval of  
 2 the Planning Areas would offer a degree of certainty for future planning and for government entities  
 3 and the public.<sup>87</sup>

4 51. AWC disagrees with Staff's argument that Commission-approved Planning Areas  
 5 would amount to a reservation of service territories for AWC and the Global Utilities.<sup>88</sup> AWC  
 6 contends that approval of the Planning Areas would not be equivalent to the grant of a CC&N  
 7 because extensions within the Planning Areas would still require Commission approval.<sup>89</sup> Further,  
 8 AWC argues that Commission-approved Planning Areas would offer a degree of certainty that the  
 9 Planning Areas are reasonable.<sup>90</sup>

10 52. The Global Utilities similarly contend that approval of the Planning Areas would not  
 11 create a right to a CC&N in the future and the Commission's approval would not constitute an Order  
 12 Preliminary.<sup>91</sup> To insure that the Agreement makes no such implicit reservation of service areas, the  
 13 Global Utilities suggested that the Commission's Decision state that the Agreement has no impact on  
 14 third parties and that there is no implicit reservation of certificate areas.<sup>92</sup> Further, the Global  
 15 Utilities assert that all of Staff's concerns can be addressed in future certificate cases.<sup>93</sup>

16 53. The Global Utilities dismiss Staff's concerns that approval of the Planning Areas  
 17 could create a precedent for future cases and will cause other utilities to flood the Commission with  
 18 similar requests for approval, as speculative.<sup>94</sup> Further, the Global Utilities assert that the  
 19 Commission could make clear that approval of the Planning Areas in this case is unique and that  
 20 future applications for approval of Planning Areas would be viewed with disfavor.<sup>95</sup>

21 54. The Global Utilities also argue that Staff's rate recovery concerns could be cured by  
 22 including a statement in the Commission's Decision that no pre-approval of cost is implied by the  
 23

24 <sup>86</sup> Rebuttal testimony of Graham Symmonds Exhibit G-2 at 3 and Rebuttal Testimony of William Garfield Exhibit A-2 at  
 19.

25 <sup>87</sup> Id. at 25. See also Initial Testimony of Graham Symmonds in Support of Settlement Agreement at 5.

26 <sup>88</sup> AWC's Post Hearing Brief at 12.

27 <sup>89</sup> Rebuttal Testimony of William M. Garfield, Exhibit A-2 at 19.

28 <sup>90</sup> Tr. at 205.

<sup>91</sup> Direct Testimony of Graham Symmonds, Global Exhibit G-1 at 5.

<sup>92</sup> Tr. at 44.

<sup>93</sup> Rebuttal Testimony of Graham Symmonds at 19.

<sup>94</sup> Global's Reply Brief at 6.

<sup>95</sup> Id.

Commission's approval of the Planning Areas.<sup>96</sup> Further, the Global Utilities assert that under A.R.S. §40-281, facilities in the Planning Areas could not be built until a certificate is issued; prudence of facilities can only be made in a rate case; and under Commission rules, prudence is determined at the time investments are made and not at the time the Planning Area is approved.<sup>97</sup> Therefore, the Global Utilities believe that approval of the Planning Areas will not constitute pre-approval of any facilities.<sup>98</sup>

55. The Utilities contend that approval of the Planning Areas is vital because regional planning cannot be achieved in a piecemeal fashion.<sup>99</sup> AWC contends that long-range planning in the extension area is in the public interest and is evidenced by support for the Agreement expressed by Casa Grande, Maricopa, and Pinal County.<sup>100</sup> AWC asserts that regional planning is essential to meet the growing needs for service in Pinal County, in order to develop the additional water supplies, reclaimed water delivery systems, and other water infrastructure needed to meet the projected growth.<sup>101</sup> AWC asserts that approving the Planning Areas would further the important public policy of long-range regional planning.<sup>102</sup>

56. AWC further claims that in Commission Decision No. 68302 (November 14, 2005), the Commission required AWC to prepare a Central Arizona Project ("CAP") Water Use Plan for the entire area, projecting customer growth and water demands through 2025.<sup>103</sup> AWC asserts the CAP plan could not have been completed without considering the areas adjacent to and near AWC's current CC&N boundaries.<sup>104</sup>

57. Staff claims that even if the Commission does not approve the Planning Areas, it may be in the Utilities' best interest to abide by the Planning Area boundaries,<sup>105</sup> and Staff pointed out that the Global Utilities and AWC may decide to follow the Planning Area boundaries without

<sup>96</sup> Global Utilities' Reply Brief at 2.

<sup>97</sup> Rebuttal Testimony of Graham Symmonds at 12, 21.

<sup>98</sup> Global Utilities' Reply Brief at 6.

<sup>99</sup> Initial Testimony of Graham Symmonds at 6. Rebuttal Testimony of William Garfield Exhibit A-2 at 18.

<sup>100</sup> Rebuttal Testimony of William Garfield Exhibit A-2 at 18.

<sup>101</sup> Rebuttal Testimony of William Garfield Exhibit A-2 at 18.

<sup>102</sup> Id.

<sup>103</sup> Id. at 19.

<sup>104</sup> Id. at 20.

<sup>105</sup> Tr. at 282.

Commission approval.<sup>106</sup> Although the Utilities agree that there is nothing precluding them from abiding by the Planning Area boundaries absent Commission approval, the Utilities state they have not made a decision to do so.<sup>107</sup> The witness for the Global Utilities acknowledged that the terms of the Agreement and Planning Areas provide advantages to both parties, even without the Commission's approval of the Agreement.<sup>108</sup>

## 2. Avoidance of Potential Anti-Trust Claims

58. Although the Utilities acknowledge that the Commission has not previously approved Planning Areas separate and distinct from the grant of a CC&N, the Utilities both assert that without Commission approval of the Planning Areas and Agreement the Utilities could face claims of violating anti-trust laws.<sup>109</sup> The Utilities argue that Commission approval of the Planning Areas, as well as the Agreement, would "shield" them from claims brought by third parties that the Agreement or Planning Areas violate anti-trust laws.<sup>110</sup> The Utilities contend that Commission approval of the Agreement and Planning areas would provide the Utilities, as well as the Commission, a defense against anti-trust claims under the doctrine of "state action."<sup>111</sup> According to the Utilities, the Commission enjoys "state action" immunity for its decisions to award monopolies in the form of CC&Ns and that approval of the Agreement would constitute "state action." The Utilities state that they would be afforded a defense against anti-trust claims by extension of the Commission's approval of the Agreement.<sup>112</sup>

59. To support their arguments, the Utilities rely on a "state action" immunity standard articulated in *Parker v. Brown*, 317 U.S. 341 (1943). In *Parker*, the Supreme Court stated that the two standards for anti-trust immunity are: first, the challenged restraint must be one clearly articulated and affirmatively expressed as state policy; and second, the policy must be actively supervised by the State itself.<sup>113</sup>

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<sup>106</sup> Staff Exhibit S-2 at 2.

<sup>107</sup> Tr. at 147, 282.

<sup>108</sup> Tr. at 282.

<sup>109</sup> Tr. at 284.

<sup>110</sup> Tr. at 130.

<sup>111</sup> Id. at 15.

<sup>112</sup> AWC's Opening Post-Hearing Brief at 15.

<sup>113</sup> AWC's Opening Post-Hearing Brief at 16, citing 317 U.S. 341 (1943).

60. Staff contends that the Utilities' "state action" defense argument is not grounded in the merits of a potential claim that the Planning Areas would trigger anti-trust liability.<sup>114</sup> While Staff acknowledges that there are benefits to reducing litigation costs and the use of long-range planning for capital projects based on the Agreement, Staff continues to recommend that the Commission deny approval of the Agreement.<sup>115</sup> Staff asserts that it did not evaluate whether the Agreement would give rise to anti-trust liability because the issue was first raised during testimony at the evidentiary hearing,<sup>116</sup> and "absent specific evidence on the record as to how the Utilities believe the Agreement or Planning Areas will trigger anti-trust liability, neither Staff or the Commission can evaluate the merits of the assertion."<sup>117</sup> Staff states that AWC has failed to meet the burden of proof regarding its assertion of potential anti-trust claims, and approval of the Agreement for the sole purpose of extending "state action" is not compelling.<sup>118</sup> Staff also contends that extending "state action" defenses to vaguely described problems that can be traced back to the conduct of the parties requesting the defense is not in the public interest.<sup>119</sup> Staff concludes that there is no way to determine if the "state action" immunity the Utilities seek would be afforded by Commission approval of the Agreement.<sup>120</sup>

### 3. Greater Use of Reclaimed Water in Planning Areas

61. The Agreement provides for the use of reclaimed water throughout the Planning Areas.<sup>121</sup> Under paragraph 7(a) of the Agreement, the Global Utilities agree not to sell reclaimed water within AWC's Planning Area, except to AWC, and AWC agrees to provide reclaimed water to customers within its CC&N and Planning Area as a retail provider.<sup>122</sup> According to the Global Utilities, the reclaimed water would come from treatment of wastewater in the Overlap Areas,<sup>123</sup> which AWC would then sell to end users for irrigation and other allowable purposes.<sup>124</sup> The Global

<sup>114</sup> Staff's Closing Brief at 2.

<sup>115</sup> Id. at 3.

<sup>116</sup> Staff's Closing Brief at 3 and Tr. at 130.

<sup>117</sup> Staff's Closing Brief at 3.

<sup>118</sup> Staff's Closing Brief at 3.

<sup>119</sup> Staff's Closing Brief at 4.

<sup>120</sup> Staff's Closing Brief at 5.

<sup>121</sup> See, Settlement Agreement, Paragraph 7.

<sup>122</sup> See, Settlement Agreement, Paragraph 7(a).

<sup>123</sup> Initial Testimony of Graham Symmonds in Support of Settlement Agreement at 10.

<sup>124</sup> Overlap Areas as used in the Settlement Agreement refer to areas within AWC's existing CC&N, proposed CC&N extension areas, and proposed Planning Area where Global-Palo Verde is requesting to provide wastewater service.

1 Utilities contend that the “expanded use of reclaimed water . . . will reduce reliance on other water  
2 sources and on the Central Arizona Groundwater Conservation District.”<sup>125</sup> The Global Utilities also  
3 state that the proposed use of recycled water in AWC’s Planning Area is a positive and progressive  
4 step because historically AWC has not provided recycled water in its CC&N areas.<sup>126</sup>

5 62. AWC asserts that it has historically espoused the benefits and use of recycled water  
6 throughout AWC’s service areas.<sup>127</sup> Under the Agreement, AWC would provide recycled water to  
7 customers in all areas where Global-Palo Verde provides wastewater service and AWC provides  
8 water service.<sup>128</sup> AWC states it has partnered with Casa Grande to plan for the use of reclaimed  
9 water in Casa Grande’s planning area, as well as within Casa Grande’s city limits.<sup>129</sup> Further, AWC  
10 asserts that Casa Grande has requested that AWC be the primary provider of reclaimed water service  
11 in the area west of Montgomery Road, in the planning areas of both Casa Grande and Maricopa.<sup>130</sup>  
12 In addition to its work with Casa Grande, AWC claims the provision of reclaimed water in the  
13 Agreement is an important factor because it will further AWC’s efforts to expand the use of  
14 reclaimed water in its Planning Area.<sup>131</sup>

15 63. AWC points out that it has been a party to a Cooperative Service Agreement (“CSA”) since 2002 with Southwest Water Company (“Southwest”), whereby Southwest provides wastewater  
16 services to the areas served by AWC. AWC contends that the CSA offers additional assurance that  
17 wastewater services will be provided in AWC’s service territories.<sup>132</sup> AWC states that it has plans to  
18 construct a surface water treatment plant to treat CAP water for its Pinal Valley Service Area.<sup>133</sup>

19 64. According to AWC, increasing the use of reclaimed water in the Planning Areas is  
20 significant because it provides for the use of reclaimed water in the western part of AWC’s proposed  
21 CC&N and Planning Area where Casa Grande or other entities are not planning to serve  
22  
23  
24

25 <sup>125</sup> Initial Testimony of Graham Symmonds in Support of Settlement Agreement at 10.

26 <sup>126</sup> Id.

27 <sup>127</sup> Initial Testimony of William Garfield at 15.

28 <sup>128</sup> Settlement Agreement, Paragraph 7(a).

<sup>129</sup> Testimony of William Garfield, Exhibit A-1 at 15.

<sup>130</sup> Testimony of William Garfield Exhibit A-1 at 16.

<sup>131</sup> Testimony of William Garfield, Exhibit A-1 at 16.

<sup>132</sup> Id.

<sup>133</sup> Id. at 17.

1 customers.<sup>134</sup> AWC claims that the expanded use of reclaimed water in Pinal County will benefit  
 2 both customers and municipalities.<sup>135</sup>

3 65. Staff acknowledged that the “availability and appropriate use of reclaimed water [is] a  
 4 benefit to the public,” but it asserts that paragraph 7(a) of the Agreement seems to contract away [the]  
 5 obligations of [public service corporations] to provide reclaimed water to other parties who request  
 6 such service.<sup>136</sup> Staff stated that although paragraph 7(a) appears to advance greater use of reclaimed  
 7 water, if there is a better use for the reclaimed water in AWC’s Planning Area (for example, a large  
 8 golf course using groundwater), paragraph 7(a) of the Agreement could preclude Global-Palo Verde  
 9 from providing reclaimed water to the golf course.<sup>137</sup> Therefore, in Staff’s opinion, pre-approval of  
 10 the Planning Areas could restrict the Commission’s ability to be the final arbiter of which utility  
 11 would most efficiently provide services in a given geographic area.<sup>138</sup>

12 66. Staff’s witness also testified that if Global-Palo Verde is “providing wastewater  
 13 service and then selling the reclaimed water to AWC for AWC to resell, that arrangement may result  
 14 in a higher cost to the . . . consumer, than if Global-Palo Verde sold [the reclaimed water]  
 15 directly.”<sup>139</sup> Staff contends that a provision to sell reclaimed water does not represent a benefit of the  
 16 Agreement because AWC already has a tariff authorizing the sale of reclaimed water within its  
 17 existing CC&N areas, and therefore AWC already has the ability to sell reclaimed water irrespective  
 18 of whether the Commission approves the Agreement.<sup>140</sup>

19 67. AWC asserts that Commission-approved Planning Areas would not grant the Utilities  
 20 an “absolute right to serve”<sup>141</sup> because the Commission would retain full authority to decide when,  
 21 and under what conditions and circumstances to grant a CC&N.<sup>142</sup> The Global Utilities contend that  
 22 the scenario presented by Staff is unlikely; but that if the Commission approved another utility to  
 23 provide reclaimed water in AWC’s Planning Area, paragraph 7(a) in the Agreement simply would  
 24

25 <sup>134</sup> Id. at 17.

26 <sup>135</sup> Id.

27 <sup>136</sup> Direct Testimony of Linda Jaress, Exhibit S-2 at 1.

28 <sup>137</sup> Tr. at 64.

<sup>138</sup> Staff Exhibit S-2 at 1.

<sup>139</sup> Tr. at 43.

<sup>140</sup> Tr. at 132. Staff’s Closing Brief at 4.

<sup>141</sup> Rebuttal Testimony of William Garfield Exhibit A-2 at 24, 29.

<sup>142</sup> Id.



1 not apply.<sup>143</sup>

2 68. The Global Utilities claim that Staff's concerns that reclaimed water in the Planning  
3 Areas may result in higher costs to customers is unfounded.<sup>144</sup> Global points out that Staff's assertion  
4 is not based on any cost analysis for providing reclaimed water as stated under the Agreement,<sup>145</sup> and  
5 the Global Utilities assert that AWC has stated it will implement a reclaimed water tariff that would  
6 serve as a pass through for the cost of Global-Palo Verde providing the reclaimed water in the  
7 proposed extension areas.<sup>146</sup>

8 **4. Conclusion on Settlement Agreement and Planning Areas**

9 69. The Utilities are requesting that the Commission approve the Settlement Agreement  
10 based on claims that the Agreement would: benefit the public interest by establishing Planning Areas;  
11 approve specified CC&N extension areas within each company's proposed Planning Area; lay the  
12 groundwork for increased cooperation between AWC and the Global Utilities for greater use of  
13 reclaimed water; and end the lengthy dispute that has consumed time and resources of the Utilities  
14 and Staff.

15 70. Staff acknowledges that the Agreement could provide certain benefits, such as: 1)  
16 resolve the dispute over service territories and the Complaint issues; 2) enhance regional planning for  
17 the Planning Areas; and 3) reduce the legal costs and time for the Utilities. However, Staff  
18 recommends that the Commission deny the Utilities' request for approval of the Agreement and  
19 Planning Areas based on Staff's belief that approval of the Agreement would: 1) restrict the  
20 Commission's future discretion to choose from a pool of appropriate water utilities; 2) divide up  
21 service territories well in advance of a need for service; and 3) provide an unnecessary Commission  
22 approval of an agreement that the Utilities could abide by with or without Commission approval.

23 71. The Utilities concede that there are no prior instances in which the Commission has  
24 approved a Settlement Agreement separate and distinct from granting a CC&N, and we note that in a  
25 similar case involving Johnson and Diversified a settlement that assigned specific planning areas to  
26

27 <sup>143</sup> Rebuttal Testimony of Graham Symmonds Exhibit G-2 at 5.

<sup>144</sup> Global's Post Hearing Brief at 3.

<sup>145</sup> Tr. at 43.

<sup>146</sup> Tr. at 132.

1 those companies was not approved by the Commission.<sup>147</sup>

2 72. For the reasons identified by Staff, and consistent with prior decisions, we decline to  
3 adopt or approve the Agreement and proposed Planning Areas agreed to by AWC and the Global  
4 Utilities. Decisions regarding initial CC&Ns and CC&N extensions should be based on the merits of  
5 the individual applications submitted for our approval, and not on predetermined Planning Areas  
6 developed by competing utilities. Further, nothing prevents AWC and the Global Utilities from  
7 implementing the terms of the Agreement related to the Planning Areas.

### 8 **III. PROPOSED EXTENSION AREAS**

#### 9 **A. Current Requests for Service by AWC and Global**

10 73. The Utilities initially filed competing applications to extend their respective CC&Ns.  
11 Both AWC and the Global Utilities filed requests for service with their original CC&N extension  
12 applications. The Global Utilities filed requests for service covering 100 percent of their proposed  
13 extension area. AWC filed requests for service covering approximately 200 acres and attached to its  
14 application the 52 requests for service filed with the Global Utilities' application.<sup>148</sup>

15 74. Due to the length of time that had elapsed between when the requests for service were  
16 initially obtained and the time the Utilities executed the Agreement, the Utilities were directed to file  
17 updated requests for service.<sup>149</sup> Staff stated some of the initial requests for service dated back to  
18 2005.<sup>150</sup> Staff noted that in light of the changes in economic conditions, and the decline in the pursuit  
19 of new development and construction of new homes in Pinal County, updated requests for service  
20 were an important factor in considering whether to recommend granting some portion or all of the  
21 requested CC&N extension areas.<sup>151</sup>

22 75. Staff has recommended:

- 23 a. The Commission approves CC&N extensions only in the areas where  
24 AWC and the Global Utilities have matching updated and/or new  
requests for service for both water and wastewater service;
- 25 b. The Commission approve CC&N extensions for areas where Global has  
26 a request for wastewater service, and the area is either in an existing

147 Commission Decision No. 70181 (February 27, 2008).

148 Staff Report dated April 10, 2009, in Docket No. W-01445-06-0199 et al.

149 Exhibit S-1 at 2, Attachment RGG-2 at 2.

150 Tr. at 313.

151 Staff Report, Exhibit S-2 at 2 and Attachment RGG-2 at 2.

1 AWC service territory or AWC has a verbal affirmation of a request for  
2 service; and

- 3 c. That the Decision approving CC&N extensions for AWC and the Global  
4 Utilities be conditioned on each Company filing legal descriptions,  
found to be acceptable by Staff, and consistent with the Order in this  
proceeding.<sup>152</sup>

5 76. The Global Utilities assert that they should be awarded extensions of their respective  
6 CC&Ns for areas where they have either an original or new or renewed request for service.<sup>153</sup> Under  
7 the Agreement, the Global Utilities are requesting to extend their respective CC&Ns to include  
8 approximately 33,273 acres.<sup>154</sup> Although the Global Utilities provided requests for service covering  
9 100 percent of the proposed extension areas with their original application, the Global Utilities  
10 obtained updated or new requests for service for approximately 80.1 percent of the requested  
11 extension area, or approximately 25,002 acres.<sup>155</sup> The Global Utilities' Exhibit G-27, attached hereto  
12 as Exhibit B, shows that in areas where the Global Utilities are proposing to provide integrated water  
13 and wastewater services, they received updated requests for 8,897 of the original 9,813 acres (91  
14 percent).<sup>156</sup> In the areas where Global-Palo Verde is requesting to extend only its wastewater CC&N,  
15 it received updated requests for 9,987 of the original 15,235 total acres.<sup>157</sup> The aggregate percentage  
16 of acres for which the Global Utilities received reaffirmed requests for service is 80.1 percent in the  
17 proposed extension area.<sup>158</sup>

18 77. To address Staff's concerns that requests for service may be stale or that property  
19 owners may have changed, the Global Utilities requested a second letter for requests for service from  
20 each property owner in the amended extension area.<sup>159</sup> According to the Global Utilities, they  
21 conducted research of current ownership of all the properties located within the proposed extension  
22 area through Pinal County public records.<sup>160</sup> The Global Utilities' Exhibit GSS-1, attached hereto as  
23 Exhibit C, outlines the properties in the proposed extension area which remained under the same

24 <sup>152</sup> Staff Exhibit S-1 at 4.

<sup>153</sup> Initial Testimony of Graham Symmonds in Support of Settlement at 12.

25 <sup>154</sup> Rebuttal Testimony of Graham Symmonds in Support of Settlement at 6.

<sup>155</sup> Global Exhibit G-27. The Global Utilities docketed a late-filed exhibit on June 30, 2009, showing that they received  
26 an additional request for service from Dugan Lands, LLC. The total acres with reaffirmed requests for service increased  
to 26,327.

<sup>156</sup> Global Exhibit G-27.

27 <sup>157</sup> Id.

<sup>158</sup> Tr. at 266.

<sup>159</sup> Initial Testimony of Graham Symmonds in Support of Settlement at 12.

28 <sup>160</sup> Id.

ownership from the first request for service to the second request. The Global Utilities' Exhibit GSS-1 shows that of the 37 property owners who originally requested integrated water and wastewater services, 26 property owners remained the same. In the areas where Global-Palo Verde is requesting an extension of only its wastewater CC&N, only 5 of the 21 landowners who originally requested service remained the same.

78. Exhibit GSS-1 also shows the properties where GWR executed Infrastructure Coordination Financing Agreements<sup>161</sup> ("ICFAs") in the proposed extension area.<sup>162</sup> The Global Utilities assert that a majority of the property owners have executed ICFAs with GWR, and the ICFAs are recorded with Pinal County.<sup>163</sup> Therefore, according to the Global Utilities, any new property owners would be on notice of the original request for service.<sup>164</sup> The Global Utilities assert that the lack of responses for updated requests for service is likely the result of the slow economy and the overall lack of progress on this application rather than an explicit request to be removed from the proposed amended extension area.<sup>165</sup>

79. AWC is seeking to extend its CC&N by approximately 56,215 acres (approximately 88 sections of land).<sup>166</sup> AWC stated that it employed the use of both U.S. mail and telephone calls to obtain updated/renewed requests for service.<sup>167</sup> As of June 5, 2009, AWC had received updated or renewed requests for service covering 15,152 acres, or approximately 27 percent of the total extension area requested.<sup>168</sup> According to AWC, one third of the total requested acreage, or approximately 17,931 acres, is owned by the Arizona State Land Department ("ASLD") and the ASLD requested service for 4,480 acres, or approximately 25 percent of the government controlled

<sup>161</sup> Trevor Hill, President and CEO of Global Parent described ICFAs as:

An ICFA is a voluntary contract between Global Parent and a landowner. These contracts provide for Global Parent to coordinate the planning, financing and construction of off-site water, wastewater and recycled water plant. The Global Utilities will own and operate this plant when construction is complete. Under the ICFAs, Global Parent is responsible for funding both the planning and the construction of water, wastewater, and recycled water plant. This a significant investment for Global Parent. The landowners who enter into the ICFAs agree to cooperate with Global Parent's plant planning and construction process. ICFAs formalize the cooperation between the landowner and Global, but also provide fees which allow Global Parent to impress conservation and consolidation into regional planning initiatives. Direct Testimony of Trevor Hill (Ex. A-7) filed in Docket No. SW-020445A-09-0077 et al.

<sup>162</sup> Initial Testimony of Graham Symmonds in Support of Settlement at 12.

<sup>163</sup> Id.

<sup>164</sup> Initial Testimony of Graham Symmonds in Support of Settlement at 13.

<sup>165</sup> Id.

<sup>166</sup> Supplemental Affidavit of Frederick K. Schneider dated July 9, 2009 at 3.

<sup>167</sup> Tr. at 78, see also AWC Exhibit A-3.

<sup>168</sup> Supplemental Affidavit of Frederick K. Schneider dated July 9, 2009 at 3.

land AWC is requesting.<sup>169</sup> The remaining portion of the government lands are controlled by the Bureau of Land Management (designated as part of the Sonoran Desert Monument), the Bureau of Reclamation, and land owned by the county.<sup>170</sup> According to AWC, it received updated/renewed requests for service (as shown in AWC's Exhibit A-7, attached hereto as Exhibit D), with the exception of Parcels Nos. 13, 17, and 18, from all property owners where original requests for service had been obtained.<sup>171</sup>

80. AWC claims that there are approximately 932 landowners within its requested extension area, and AWC received requests for service from 24 of those landowners (approximately 3 percent).<sup>172</sup> AWC contends that it notified every landowner in the amended extension area by publication and written notice, and none of the property owners objected to being included in AWC's amended CC&N extension area.<sup>173</sup> AWC also states that of the 932 landowners in the proposed CC&N extension area, 619 (66 percent) own less than 10 acres.<sup>174</sup> Of the 10 landowners that own 640 acres or more, AWC received requests for service from 5 of them (50 percent).<sup>175</sup> AWC's witness testified that AWC concentrated on getting updated requests from the larger landowners.<sup>176</sup>

81. AWC argues that there is "no Arizona statute, case, or regulation that requires a water utility to have a request for service for every parcel of land included in a new CC&N or CC&N extension."<sup>177</sup> AWC also contends that "no rule or case exists that requires a utility to have requests for service not only for the service it provides, but also for the service that another utility provides."<sup>178</sup> AWC claims that Staff's recommendation, if adopted by the Commission, would require landowners to request all potential utility services at the same time or else receive no services at all.<sup>179</sup> AWC further argues that Staff's assumption that the passage of time renders a request for service "stale, moot and worthy of rejection" substitutes Staff's judgment for that of the property

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<sup>169</sup> Id.

<sup>170</sup> Id.

<sup>171</sup> Tr. at 94.

<sup>172</sup> Supplemental Affidavit of Frederick K. Schneider dated July 9, 2009 at 4.

<sup>173</sup> Id. at 4. See also, Certification of mailing and publication docketed December 5, 2008.

<sup>174</sup> Id. at 4.

<sup>175</sup> Id. at 5.

<sup>176</sup> Tr. at 181.

<sup>177</sup> Rebuttal Testimony of William Garfield at 5.

<sup>178</sup> Id. at 6.

<sup>179</sup> Id.

owner and ignores the fact that no objection to inclusion in the CC&N area exists.<sup>180</sup> AWC states that the better policy would be “to accept a request for service as genuine absent evidence to the contrary.”<sup>181</sup> Finally, AWC asserts that the need for service can be demonstrated in ways other than a request for service; for example, through the planning for development by landowners (*i.e.*, county and city planning and zoning submittals); Pinal County’s General Plan; Casa Grande’s General Plan; and Maricopa’s General Plan.<sup>182</sup> AWC submitted maps showing the General Plans, Planning Boundaries, and Land Use for Pinal County, Casa Grande, and Maricopa,<sup>183</sup> claiming that the depth of planning by landowners, cities, and county entities demonstrates that there is a need for service in the proposed extension areas.<sup>184</sup>

82. AWC argues that Staff’s recommendation regarding requests for service in this docket is inconsistent with recommendations Staff has made in other CC&N extension dockets.<sup>185</sup> AWC noted Staff’s testimony in another docket which stated:

Staff reviewed the letters filed by Robson, Global and Ms. Robertson, along with the response of Arizona Water. First, Staff does not agree that the Commission has an inflexible, long-standing policy against approving CC&N extensions into areas in which there are no requests for service. Second, Staff is concerned that if the Commission were to establish a firm policy against approving extensions where there is no request for service (as Global and Robson seem to favor), utilities would be motivated to shop for requests for service to reserve areas for planning purposes. At best, this would increase costs to the utilities. At worst, these costs could be passed on to the ratepayers. Also a request for service could become a commodity going to the highest bidder rather than to the company which is best able to further the public interest. Staff believes there are certain circumstances under which the Commission should consider approving extensions into areas for which there are no requests for service.<sup>186</sup>

83. AWC asserts that a better approach would be to use the nine factors previously articulated by Staff to determine whether to extend CC&Ns into areas where there are no requests for service.<sup>187</sup> The nine factors are:

1. Whether inclusion of the area could reasonably be expected to contribute to operational efficiencies;

<sup>180</sup> Id. at 7.

<sup>181</sup> Id.

<sup>182</sup> Id. at 11.

<sup>183</sup> Rebuttal Testimony of William Garfield, Attachments WMG 8-12.

<sup>184</sup> Id. at 11.

<sup>185</sup> Id.

<sup>186</sup> Rebuttal Testimony of William Garfield, quoting from Staff Report at 2 in Docket No. W-01445A-06-0059.

<sup>187</sup> Testimony of William Garfield dated January 12, 2009 at 26. See also Decision No. 69163 (December 5, 2006).

2. Whether exclusion of the area could reasonably be expected to result in operational inefficiencies;
3. Whether there is a competing application for the area;
4. Whether a customer in the area requests to be excluded and the nature of the request;
5. Whether the area is contiguous to the company's current service area;
6. Whether the requested area "squares off" the service territory or fills in holes in the service territory;
7. Whether the company at issue is financially sound;
8. Whether the company at issue is in compliance with Commission decisions, ADEQ and ADWR; and
9. Other showings by the company at issue that it is in the public interest to approve the extension.<sup>188</sup>

84. Based on the nine factors, AWC asserts that most, if not all, factors weigh in favor of granting AWC an extension of its CC&N into areas not covered by requests for service.<sup>189</sup> AWC points out that the proposed extension area lends itself to operating efficiencies; no landowner has objected to inclusion in the extension area; the areas are contiguous to either AWC's existing service territory or to areas where AWC has a request for service; and not granting the extension would leave large gaps in AWC's CC&N area making it more difficult to extend facilities in a logical manner.<sup>190</sup>

85. The Global Utilities also assert that Staff's recommendation to require renewed requests for service is inconsistent with past Commission decisions.<sup>191</sup> The Global Utilities claim that in Commission Decision No. 70381 (June 13, 2008) the Global Utilities provided 100 percent requests for service with the application for an extension of their CC&Ns.<sup>192</sup> According to the Global Utilities, they were required in that prior case to obtain updated requests for service because Staff expressed concern that 37 out of 47 of the requests for service were not addressed to either Santa Cruz or Palo Verde, but were instead addressed to Global Water, LLC.<sup>193</sup> Decision No. 70381 indicated that Staff was concerned that landowners and developers appeared to be confused as to which entity would be providing service, and that some of the requests for service were more than

<sup>188</sup> Testimony of William Garfield dated January 12, 2009, at 26.

<sup>189</sup> Rebuttal Testimony of William Garfield at 13.

<sup>190</sup> Id.

<sup>191</sup> Rebuttal Testimony of Graham Symmonds at 6.

<sup>192</sup> See Docket No. SW-03575A-06-0545 et al.

<sup>193</sup> Decision No. 70381 at 5.

1 two years old.<sup>194</sup> The Global Utilities were therefore directed to provide updated requests for service  
 2 and were able to obtain 71 percent renewed/updated requests for service, with 100 percent of those  
 3 landowners expressing a continuing need for service.<sup>195</sup> The Commission approved the Global  
 4 Utilities' request to extend their CC&Ns to include the entire area originally requested.<sup>196</sup> The  
 5 Global Utilities assert that, in this case, they have obtained 80.1 percent updated/renewed requests for  
 6 service, exceeding the renewed service request percentage achieved in the prior Decision, thereby  
 7 demonstrating a need for service in this matter for the entire requested area.<sup>197</sup>

8 86. The Global Utilities stated that development in the proposed extension areas is in  
 9 varying stages.<sup>198</sup> They indicated that some of the developers hope to begin construction of homes by  
 10 the end of 2011, while other developers are not so far along in the process.<sup>199</sup> The Global Utilities  
 11 provided updated information for three of the developments in the proposed extension area, showing  
 12 that they have approved Physical Availability Demonstrations ("PADs") from ADWR, and zoning  
 13 and approved preliminary plats from Pinal County.<sup>200</sup> According to the Global Utilities, due to the  
 14 downturn in the economy some of the landowners have reverted to farming for the immediate future,  
 15 but others have moved forward as far as they can without having an approved source of water and  
 16 wastewater.<sup>201</sup> The Global Utilities assert that not including these property owners in the Certificate  
 17 "may act to unduly delay some developments – including the jobs and economic activities related to  
 18 those developments."<sup>202</sup>

19 87. The Global Utilities reported that the land use plans vary throughout the proposed  
 20 extension area.<sup>203</sup> According to the Global Utilities, several of the developments have no plans to  
 21 include golf courses.<sup>204</sup> They also assert that regardless of the developer's plans, the ICFA's and main  
 22 extension agreements include minimum requirements that developers are expected to follow. The  
 23

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24 <sup>194</sup> Id.

<sup>195</sup> Id.

<sup>196</sup> Id.

25 <sup>197</sup> Rebuttal Testimony of Graham Symmonds at 6. The Global Utilities provided additional evidence during the hearing  
 26 that they had obtained renewed/updated requests totaling 80.1 percent of the requested extension area (Exhibit G-27).

<sup>198</sup> Id. at 14.

<sup>199</sup> Id.

<sup>200</sup> Id.

<sup>201</sup> Id.

<sup>202</sup> Id.

<sup>203</sup> Id. at 15.

<sup>204</sup> Id.



ICFAs require landowners to commit to the following:

1. Construct, operate and maintain a Recycled Water Retention Structure for use as irrigation supply throughout common areas;
2. Submit a recycled water master plan that at a minimum includes the following:
  - a. Acreage and percentage breakdown of total open space and turf, xeriscape, and retention structure areas, and approximate number of trees associated with the landscaping plan;
  - b. Anticipated irrigation usage by month based on landscaping plan;
  - c. Anticipated recycled water production;
  - d. Table indicating recycled water production, anticipated irrigation demand and resulting recycled water balance broken down by month;
  - e. Calculated Peak Hour and Peak Day irrigation demands; and
  - f. Design drawings showing Recycled Water Retention Structure general arrangement, including plan, elevation and cross-section.
3. Adherence to the Global Code of Practice Irrigation and Land Use Requirements, which requires that open areas meet the following:
  - a. Turf = 22%
  - b. Xeriscape = 75%
  - c. Retention Structure = 3%
  - d. Retention Structure Freeboard = 2 feet
4. To accept recycled water equivalent to the amount generated by their particular development.<sup>205</sup>

88. The Global Utilities contend that although the specific development plans are not known at this time, minimum requirements will require landowners to use reclaimed water and to conserve outdoor water use.<sup>206</sup> Further, under the Agreement AWC will have access to reclaimed water in the areas where AWC would provide water service and Global-Palo Verde would provide wastewater services.<sup>207</sup>

## **B. Description of AWC and Global Systems**

### **1. AWC's Casa Grande System and Stanfield System**

89. AWC's existing Casa Grande CC&N includes 164.9 square miles in Pinal County.<sup>208</sup> AWC provides water utility service to the City of Casa Grande through its Casa Grande System and serves the Casa Grande vicinity using its Coolidge, Stanfield, and Tierra Grande Systems.<sup>209</sup>

<sup>205</sup> Id.

<sup>206</sup> Id. at 16

<sup>207</sup> Id.

<sup>208</sup> Id.

<sup>209</sup> Id.

1 According to AWC, in the future the three water systems will be interconnected with the Casa  
2 Grande System, and will ultimately become the Pinal Valley Water System.<sup>210</sup>

3 90. According to Staff, AWC's proposed CC&N extension area is in the western portion  
4 of the Pinal Valley Water System, which includes only the Casa Grande and Stanfield Systems.<sup>211</sup>  
5 Therefore, Staff's analysis of the facilities needed to serve the proposed extension areas included only  
6 the Casa Grande and Stanfield Systems.<sup>212</sup>

7 91. Staff's Engineering Report states that AWC's Casa Grande System is comprised of 17  
8 wells, producing 17,580 gallons per minute ("GPM"); five arsenic treatment plants; nine storage  
9 tanks, with a storage capacity of 15.11 million gallons; and a distribution system serving  
10 approximately 22,600 service connections.<sup>213</sup> Staff indicates that AWC predicts an additional 13,367  
11 connections for the proposed CC&N extension area, for a projected total customer base of  
12 approximately 36,000.<sup>214</sup> Staff concluded that the Casa Grande System has sufficient well production  
13 and storage capacity to serve approximately 38,250 service connections.<sup>215</sup>

14 92. AWC's Stanfield System is comprised of two wells, producing 520 GPM; two storage  
15 tanks, with a storage capacity of 120,000 gallons; and a distribution system serving approximately  
16 220 connections.<sup>216</sup> AWC's CC&N for the Stanfield System covers approximately 16 square miles,  
17 located approximately one mile from AWC's Casa Grande System, and serves the community of  
18 Stanfield.<sup>217</sup> According to Staff, AWC predicts it will eventually serve an additional 14,010 service  
19 connections, for a total customer base of 14,250 in the proposed extension area.<sup>218</sup> Staff concluded  
20 that the Stanfield System can serve approximately 550 service connections based on its existing well  
21 production and storage capacity.<sup>219</sup>

22 93. Staff reviewed a Design Report submitted by AWC in support of the proposed  
23

24  
210 Id.

211 Staff Exhibit S-1, Attachment RGG at 2.

212 Id.

213 Staff Exhibit S-1, Attachment RGG-3 at 1.

214 Id. at 2.

215 Id. at 2.

216 Id. at 2.

217 Id.

218 Staff Exhibit S-1, Attachment RRG-3 at 3.

219 Id. at 3.

1 infrastructure and projected water demands for the proposed CC&N extension areas.<sup>220</sup> According to  
 2 Staff, AWC's Design Report shows the needed infrastructure projected for 50 years.<sup>221</sup> The Design  
 3 Report also shows the projected peak demand for the Casa Grande and Stanfield Systems, proposed  
 4 transmission mains, and pipeline grids.<sup>222</sup> AWC's proposed total cost for infrastructure for the Pinal  
 5 Valley Water System is approximately \$31 million for wells, \$302 million for treatment plants, and  
 6 \$23 million for storage tanks.<sup>223</sup>

7 94. Staff concluded that, based on the information provided in AWC's flow model and  
 8 Design Report, AWC's proposed system is adequately sized and has adequate production and storage  
 9 to serve the entire Casa Grande System, the Stanfield System, and the proposed extension area.<sup>224</sup>  
 10 Further, Staff believes that AWC will have the ability to develop the additional production and  
 11 storage needed in the proposed CC&N extension area.<sup>225</sup>

12 95. According to Staff, AWC plans to provide service in the proposed extension areas by  
 13 extending its distribution systems, by using advances in aid of construction ("AIAC") and a proposed  
 14 Off Site Facilities Fee.<sup>226</sup> Staff reviewed the proposed off-site and on-site cost estimates, which total  
 15 approximately \$47 million and \$600 million, respectively.<sup>227</sup> Staff concluded that the cost estimates  
 16 for the proposed off-site and on-site facilities are reasonable; however, Staff stated that no "used and  
 17 useful" determination has been made and no conclusions should be inferred for future rate making or  
 18 rate base purposes.<sup>228</sup>

19 96. ADEQ has determined that AWC's Casa Grande, Stanfield, Coolidge, and Tierra  
 20 Grande Systems are in compliance and are delivering water that meets water quality standards as of  
 21 February 9, 2009.<sup>229</sup>

22 97. AWC's Pinal Valley Water System is located in the Pinal Active Management Area  
 23

24 <sup>220</sup> Staff Exhibit S-1, Attachment RGG-3 at 3.

25 <sup>221</sup> Id.

26 <sup>222</sup> Id.

27 <sup>223</sup> Id.

28 <sup>224</sup> Id.

<sup>225</sup> Id.

<sup>226</sup> Id. at 4. According to Staff, AWC's proposed Off Site Facilities Fee is a Hook-Up Fee Tariff to be filed by AWC.

<sup>227</sup> Id. 4-5.

<sup>228</sup> Id. at 5.

<sup>229</sup> Id. at 6.

1 and ADWR has determined that AWC's Casa Grande, Stanfield, and Tierra Grande Systems are in  
 2 compliance with ADWR requirements.<sup>230</sup> According to Staff, ADWR reported that AWC's Coolidge  
 3 System is out of compliance due to unaccounted for water loss violations. Staff states that AWC is  
 4 currently working with ADWR to resolve the issues.<sup>231</sup>

5 98. Staff states that ADWR has determined that AWC's PAD for its Pinal Valley Water  
 6 System Planning Area allows for 120,000 acre-feet of groundwater annually for 100 years.<sup>232</sup> Based  
 7 on the use of reclaimed water, CAP water, and available irrigation district water, Staff believes AWC  
 8 has a total available water supply of over 250,000 acre-feet annually.<sup>233</sup>

## 9 **2. Global-Santa Cruz Water and Global-Palo Verde Wastewater Systems**

10 99. Under the proposed Agreement, the Global Utilities are seeking to extend their  
 11 respective CC&Ns to provide water and wastewater services to an area southeast of Maricopa and  
 12 west of Casa Grande in northwest Pinal County.<sup>234</sup> The Global Utilities are requesting to extend the  
 13 Global-Santa Cruz's water CC&N to include approximately 19 square miles and the Global-Palo  
 14 Verde's wastewater CC&N by approximately 42 square miles.<sup>235</sup> According to Staff, the Global  
 15 Utilities expect to add approximately 6,000 new water and wastewater customers in the extension  
 16 area in the next five years.<sup>236</sup>

### 17 **a. Global-Santa Cruz Water System**

18 100. Global-Santa Cruz's water system currently serves approximately 15,700 customers  
 19 and is comprised of five wells, with a production capacity of 8,815 GPM; five storage tanks, with  
 20 storage capacity of 6.5 million gallons; and five pressure tanks, with a capacity of 30,000 gallons.<sup>237</sup>  
 21 Staff believes Global-Santa Cruz has adequate capacity to serve its current customers plus reasonable  
 22 growth in the future.<sup>238</sup>

23  
 24 <sup>230</sup> Id.

25 <sup>231</sup> Id. at 6. We note that AWC's non-account water issues were addressed in detail in its recent rate case (see Decision  
 No. 71845, August 25, 2010, at 70-77).

26 <sup>232</sup> Id.

27 <sup>233</sup> Id.

<sup>234</sup> Staff Exhibit S-1, Attachment RGG-4 at 1.

<sup>235</sup> Id.

<sup>236</sup> Id.

<sup>237</sup> Id.

28 <sup>238</sup> Id. at 2.

1           101. According to Staff, Global-Santa Cruz plans to construct a new water system, called  
 2 the South East Water System ("SEWS") to provide water service within the requested extension  
 3 area.<sup>239</sup> Staff states that the SEWS will be comprised of multiple wells with a minimum production  
 4 capacity of 3,200 GPM, 2.5 million gallons of storage capacity, and fire flow protection of 2,100  
 5 GPM for four hours.<sup>240</sup> Global-Santa Cruz expects to have on-site infrastructure consisting of  
 6 approximately two-miles of distribution lines, two wells, one booster pump stand, and one three-  
 7 million gallon storage tank during the first year.

8           102. Staff concluded that Global-Santa Cruz's proposed water system would have adequate  
 9 capacity to serve customers in the extension area as well as reasonable growth in the future.<sup>241</sup>

10           103. Based on ADEQ Compliance Status Reports dated December 9, 2008, ADEQ  
 11 determined Global-Santa Cruz is in compliance and delivering water that meets applicable water  
 12 quality standards.<sup>242</sup> According to Staff, Global-Santa Cruz's service area is located within the Pinal  
 13 AMA, and ADWR has determined that Global-Santa Cruz is in compliance with departmental  
 14 requirements governing water providers and/or community water systems.<sup>243</sup>

15           104. The Commission's Utilities Division Compliance Section has determined that Global-  
 16 Santa Cruz has no current delinquent compliance issues.<sup>244</sup>

17           105. Global-Santa Cruz has an approved curtailment tariff on file with the Commission.

18           106. Staff states that Global-Santa Cruz has an approved Designation of Assured Water  
 19 Supply that would need to be modified to include the requested extension area.<sup>245</sup>

20           107. Global-Santa Cruz estimates that the total construction costs to serve the extension  
 21 area would be approximately \$1.8 million over five years.<sup>246</sup> Staff concludes that Global-Santa  
 22 Cruz's costs are reasonable and appropriate for the facilities needed in the extension area; however,  
 23 Staff made no "used and useful" determination for the proposed plant and Staff stated no conclusions  
 24

25 <sup>239</sup> Id.

26 <sup>240</sup> Staff Exhibit S-1, Attachment RGG-4 at 2.

27 <sup>241</sup> Id.

<sup>242</sup> Staff Exhibit S-1, Attachment RGG-4 at 2, referencing ADEQ Compliance Status Report dated December 9, 2008.

<sup>243</sup> Staff Exhibit S-1, Attachment RGG-4 at 2.

28 <sup>244</sup> Id.

<sup>245</sup> Id.

<sup>246</sup> Id.

1 should be inferred for future rate making or rate base proposes.<sup>247</sup>

2 **b. Global-Palo Verde Wastewater System**

3 108. Global-Palo Verde currently operates a Water Reclamation Facility ("WRF") referred  
4 to as WRF Camp 1.<sup>248</sup> Staff described WRF Camp 1 as an enclosed three million GPD sequential  
5 batch reactor treatment plant with sand filters, ultra-violet disinfection units, and an effluent reuse  
6 and surface water disposal system.<sup>249</sup> The WRF Camp 1 currently treats 1.5 million GPD of  
7 wastewater and the treated wastewater is used to irrigate golf courses, parks, and other green areas.<sup>250</sup>  
8 Staff concluded that Global-Palo Verde has adequate capacity to serve its existing customer base plus  
9 reasonable growth in the future.<sup>251</sup>

10 **i. Proposed WRFs Camp 3 and Camp 7**

11 109. Global-Palo Verde intends to construct a new WRF referred to as WRF Camp 3,  
12 which would be constructed in the same manner as the WRF Camp 1.<sup>252</sup> According to Staff, Global-  
13 Palo Verde proposes to use its WRF Camp 1 to initially serve the extension area, which Staff believes  
14 would need to handle an additional 643,500 GPD of wastewater to serve the extension area.<sup>253</sup> Staff  
15 stated that Global-Palo Verde was unable to provide any on-site wastewater infrastructure plans, but  
16 that Global-Palo Verde estimates that it will construct a 500,000 GPD wastewater treatment plant,  
17 with a one mile long gravity flow main to serve the requested extension area within the first year.<sup>254</sup>  
18 Staff concluded the proposed WRF Camp 3 would have adequate capacity to serve customers in the  
19 extension area and that Global-Palo Verde can be expected to add the capacity needed to meet future  
20 growth.<sup>255</sup>

21 110. The requested extension area is within Global-Palo Verde's approved 208 Plan area.<sup>256</sup>

22 111. According to an ADEQ Compliance Status Report dated January 29, 2009, Global-  
23

24 <sup>247</sup> Id.

25 <sup>248</sup> Staff Exhibit S-1, Attachment RGG-4 at 3.

26 <sup>249</sup> Id.

27 <sup>250</sup> Id.

28 <sup>251</sup> Id.

<sup>252</sup> Id.

<sup>253</sup> Id.

<sup>254</sup> Id.

<sup>255</sup> Id.

<sup>256</sup> Id.

Palo Verde is in compliance with its Aquifer Protection Permit for reporting requirements and monitoring results.<sup>257</sup> Global-Palo Verde is also currently in compliance with the Commission's Compliance Division and has an approved curtailment tariff on file with the Commission.<sup>258</sup> Global-Palo Verde projects that construction costs for the facilities needed in the extension area would be approximately \$12.6 million over a five-year period. Staff concluded that Global-Palo Verde's proposed costs are reasonable, but Staff made no "used and useful" determination of proposed facilities and stated that no inference should be made for rate base or ratemaking purposes.

## ii. Odor Issues

112. The Global Utilities' witness testified that the proposed WRFs would be at least 350 feet from homes in the proposed extension area as required by ADEQ.<sup>259</sup> The witness also stated that all wastewater processing equipment associated with the WRFs would be located a minimum of 350 feet from homes in the extension area.<sup>260</sup> According to the witness, the WRFs would be fully equipped with odor, aesthetic, and noise controls,<sup>261</sup> and would have covers on all of the process equipment.<sup>262</sup> The Global Utilities claim that one of the benefits of the proposed regional planning of the WRFs is that they would be able to take advantage of the available gradient in order to eliminate the use of small lift stations throughout the extension area.<sup>263</sup> The witness further stated that the sites for the proposed WRF No. 3 and No. 7 are included in the ICFAs and the land will be deeded over to the utility from the developer.<sup>264</sup>

## C. Staff's Recommendations

113. Staff recommends that the Commission approve limited CC&N extensions for AWC and the Global Utilities, as shown in Staff's Exhibits S-8 and S-9 (attached hereto collectively as Exhibit E),<sup>265</sup> subject to the conditions listed below. Staff further recommends approval of the

<sup>257</sup> Id.

<sup>258</sup> Id.

<sup>259</sup> Tr. at 240.

<sup>260</sup> Id.

<sup>261</sup> Id.

<sup>262</sup> Id.

<sup>263</sup> Id. at 242.

<sup>264</sup> Id.

<sup>265</sup> In general terms, Staff recommended that CC&N extensions be granted to AWC and the Global Utilities only for areas in which the Utilities have obtained renewed or current requests for service and requests for both water and wastewater service. The specific Staff recommendations for the extension areas are discussed in greater detail in the Discussion and Analysis section below.

transfer of the CP Water and Francisco Grande CC&Ns to Global-Santa Cruz and Global-Palo Verde, subject to the conditions listed below. Staff recommends that AWC:

1. File with Docket Control, as a compliance item in this docket by December 31, 2012, a copy of the Approval to Construct ("ATC") for the first parcel to be served in the extension areas;
2. File with Docket Control, as a compliance item in this docket by December 31, 2011, a copy of the updated ADWR Physical Availability Determination ("PAD") to include the requested extension areas; and
3. File legal descriptions consistent with the CC&N extension areas approved by the Commission in this proceeding, and that the Order in this proceeding not be effective until the legal descriptions are found to be acceptable by Staff.

114. Staff further recommends that:

1. Global-Santa Cruz file with Docket Control as a compliance item by December 31, 2012, a copy of Certificate of ATC issued by the ADEQ for the wells, mains, storage tank and booster pump station installed to serve the first parcel of the requested extension area;
2. Global-Santa Cruz file with Docket Control as a compliance item in this Docket by December 31, 2011, a letter from ADWR indicating that the Santa Cruz Designation of Assured Water Supply ("DAWS") has been modified and approved to include the requested extension area;
3. Global-Palo Verde file with Docket Control as a compliance item by December 31, 2012, a copy of the ATC for the sewer mains that serve the first parcel in the extension area;
4. Global-Santa Cruz file with Docket Control as a compliance item by December 31, 2011, a letter from ADWR indicating that the Santa Cruz DAWS has been modified and approved to include the CP and Francisco Grande service areas; and
5. The Global Utilities file legal descriptions consistent with the CC&N extension areas approved by the Commission in this proceeding, and that the Order in this proceeding not be effective until the legal descriptions are found to be acceptable by Staff.

#### **D. Discussion and Analysis of CC&N Extension Requests**

115. Staff concluded that the Utilities are fit and proper entities to extend their respective CC&Ns, and is recommending that the Commission approve limited CC&N extensions for the Utilities. Staff recommends that the Commission grant CC&N extensions only to the areas where the Utilities have matching requests for service for both water and wastewater. Staff stated that the request for service issue was the "primary driver" in deciding whether to recommend approval of the



1 extension requests. Staff argues that the Commission has in recent years shifted its approach to  
2 requiring parcel for parcel requests for service in CC&N extension cases. According to Staff, prior to  
3 the shift in policy, the Commission granted CC&N extensions that “squared off” or “rounded off”  
4 service territories granting areas larger than those requested by the utilities.

5 116. As described above, AWC asserts that there is no rule, case law, or statute that  
6 requires a utility to have a request for service for each parcel of land requested in a CC&N extension.  
7 AWC claims that for the areas where it has no request for service but the area is contiguous to its  
8 existing territory, the Commission should “square off” the extension area using the nine factor  
9 guideline. AWC stated that it primarily focused on obtaining updated/renewed requests for service  
10 from larger (640 acres or more) property owners in AWC’s proposed extension areas. AWC had  
11 original requests for service totaling approximately 6,800 acres out of the 56,215 acres requested.  
12 However, by the time this matter went to hearing, AWC had received updated/renewed requests for  
13 service for approximately 27 percent or 15,152 acres.

14 117. The Global Utilities sought updated/renewed requests for service in their proposed  
15 CC&N extension areas and were able to provide an aggregate of 80.1 percent reaffirmed requests for  
16 their proposed extension areas. The Global Utilities submitted evidence showing the name of each  
17 developer/development; the number of acres for each development; approximate number of units for  
18 each development; and if the development had a recorded ICFA. The Global Utilities also submitted  
19 evidence showing how many of the developers/landowners had remained the same from the time the  
20 utilities first obtained the request to the second request. Consequently, the Global Utilities provided  
21 91 percent updated/renewed requests for service in the areas where they plan to provide integrated  
22 water and wastewater services, and 68 percent renewed/updated requests in areas where Global-Palo  
23 Verde would provide only wastewater and AWC would provide water.

24 118. The Global Utilities contend that because they have achieved a higher percentage of  
25 reaffirmed requests for service in this matter than was required in a prior case (Decision No. 70381),  
26 the Commission should extend the Global Utilities’ CC&Ns to include 100 percent of the requested  
27 area.  
28

119. In this case, the Global Utilities are requesting an extension area containing 33,273 acres, compared to the prior case in which they requested an extension for 8,473 acres.<sup>266</sup> In the prior matter, Staff also expressed concern that the requests were two years old and that property owners were confused as to which utility would be providing them with service, as a basis for requiring updated service requests. In this case, more than four years elapsed between the time the Global Utilities obtained the original requests for service and when the matter went to hearing. During that four-year time period, there has been a significant downturn in the national and local economy as well as a slow down in the real estate development market.

120. Staff acknowledged that in prior years the Commission had an informal policy of encouraging “rounding off” or “squaring off” CC&N extension areas.<sup>267</sup> However, Staff’s witness testified that, in recent years, the Commission’s informal policy has shifted away from the “rounding off” or “squaring off” approach and has begun to require that CC&N extension areas have specific requests for service for each parcel.<sup>268</sup> Staff concedes that, in some instances, the request for service approach could increase administrative review requirements because utilities would be required to apply for CC&N extensions only after they receive requests for service.<sup>269</sup>

121. Staff argues that the Commission has never formally adopted the nine factor criteria cited by AWC.<sup>270</sup> Staff claims that although it was aware of the nine factors when it formulated its recommendations in this case, Staff believed that the “primary driver” in this particular case was the request for service.<sup>271</sup> To illustrate the point, as shown in Staff’s Exhibit S-8, Staff stated that there are two small parcels north of Parcel D that do not have requests for wastewater service, although AWC has a request for water service.<sup>272</sup> Staff explained that if it were recommending granting a CC&N for parcel D, Staff would have looked to the nine factors to consider whether inclusion of the smaller northern parcels was appropriate, where no requests for service were received.<sup>273</sup>

<sup>266</sup> Decision No. 70381 at 3.

<sup>267</sup> Tr. at 340.

<sup>268</sup> Id.

<sup>269</sup> Tr. at 342.

<sup>270</sup> Tr. at 343.

<sup>271</sup> Tr. at 319.

<sup>272</sup> Tr. at 320.

<sup>273</sup> Id.

122. We agree with the guidelines recommended by Staff in this case (subject to minor modifications) with respect to approving CC&N extensions only for areas in which the Utilities have obtained renewed or current requests for service, and in which the Utilities are proposing to provide both water and wastewater either through integrated service (in the case of the Global Utilities) or through cooperative arrangement (with AWC providing water and Global-Palo Verde providing wastewater). Each of the individual parcels requested is discussed below.

### 1. AWC's Proposed Planning Area

123. Regarding CC&N extensions for AWC, Staff recommends extending AWC's CC&N to include nine parcels of land totaling approximately 3,450 acres.<sup>274</sup> Staff's Exhibit S-8, attached hereto, shows Staff's recommended extension areas for AWC. Staff is recommending approval of parcels 4, 5, 6, 7, 8, 9, 12, 15, and 19. Staff noted that although Parcel No. 4 does not have a matching request for sewer service, Staff is recommending including it in AWC's extension area because Parcel No. 4 is located within the city limits of Casa Grande and therefore wastewater will be provided by Casa Grande.<sup>275</sup> We find Staff's recommendation to include parcels 4, 5, 6, 7, 8, 9, 12, 15, and 19 on Exhibit S-8 reasonable under the facts and circumstances presented in this case and those recommendations will therefore be adopted. Further, we find it appropriate to fill in the portion East of Parcel 9 and the southern section below Parcel 8 (Sections 3 and 12 T07S, R04E) to create a more logical boundary.

#### a. Parcels Nos. 1, 2, and 3

124. Staff recommends that AWC's CC&N not be extended to include parcels 1, 2, and 3, as shown in AWC's Exhibit A-7 (attached hereto as Exhibit D), because the parcels do not have matching wastewater requests for service.<sup>276</sup> Staff expressed concerns that parcels 1, 2, and 3 are located outside Casa Grande's city limits and therefore Casa Grande has no obligation to provide wastewater to the parcels. AWC submitted evidence showing that Casa Grande provides wastewater collection and treatment in the area bounded by Interstate 10 on the east, the Maricopa Casa Grande

<sup>274</sup> Staff Exhibit S-8.

<sup>275</sup> Tr. at 317.

<sup>276</sup> Tr. at 310.

Highway on the south and west, and Korston Road to the north.<sup>277</sup> AWC argued that although Parcels 1, 2, and 3 are not located in Casa Grande's city limits, they are within Casa Grande's approved 208 Plan boundary and that Casa Grande will provide wastewater service to the area.<sup>278</sup> On June 24, 2011, AWC docketed a letter from the City of Casa Grande ("City"), which stated that the City will provide wastewater services to the area east of Montgomery Road (identified as Parcels 1, 2, and 3 on Exhibit E). Based on the letter submitted by AWC regarding Parcels 1, 2, and 3, Staff now recommends including these parcels in AWC's CC&N. Therefore, we agree with Staff's recommendation that parcels 1, 2, and 3, as identified on Exhibit E, should be included in AWC's CC&N.

**b. Parcels A, B, C, D, and E**

125. AWC requested an extension of its CC&N to include Parcels A and B, as shown in AWC's Exhibit A-7 (attached as Exhibit D hereto).<sup>279</sup> Parcel A consists of 1,823 acres owned by a single developer.<sup>280</sup> Various sections of land labeled as Parcel B are owned by Arizona State Land Trust.<sup>281</sup> Parcel A, and one portion of Parcel B, are located within the 208 Plan boundary for Casa Grande.<sup>282</sup> Staff recommends including Parcels A, B, and D (as shown on Exhibit E) in AWC's CC&N because the sections of land are within the City of Casa Grande's 208 Plan area, and the City has stated it will provide wastewater service to these parcels. Therefore, it appropriate to include parcels A, B, and D in AWC's CC&N. Further, we find it appropriate to include the small section located in Section 16, T07S, R05E, in AWC's CC&N to create a more logical boundary.

126. There are seven remaining portions of Parcel B. Five portions of Parcel B are currently located within the Global Utilities' 208 Plan boundary and two portions are not.<sup>283</sup> The Global Utilities stated that Global-Palo Verde would provide wastewater service to the remaining portions of Parcel B. Additionally, the Global Utilities stated that Global's 208 Plan boundary would

<sup>277</sup> AWC Exhibit A-5.

<sup>278</sup> Tr. at 115.

<sup>279</sup> AWC Exhibit A-7.

<sup>280</sup> Id.

<sup>281</sup> Id.

<sup>282</sup> Id.

<sup>283</sup> The two portions of B not included in Global's existing 208 Plan boundary are located at the southernmost boundary of AWC's proposed planning area.

1 be amended to include the two portions of Parcel B that are not currently within Global's current 208  
 2 Plan. Because Global-Palo Verde is willing and able to provide wastewater service to the seven  
 3 remaining portions of Parcel B, AWC's CC&N should be extended to include those areas. In  
 4 addition, the portion of B located adjacent to Parcel C should be filled in to create a more logical  
 5 boundary. Further, we find it appropriate to fill in the remaining western sections of Parcel B (T07S,  
 6 RO4E Section 16) to create a more logical boundary.

7 127. Parcel C consists of 160 acres owned by a single land owner.<sup>284</sup> AWC obtained a  
 8 verbal and updated written request for service for Parcel C.<sup>285</sup> Global-Palo Verde does not have a  
 9 matching request for wastewater service; therefore, Staff has recommended against extending AWC's  
 10 and Global-Palo Verde's CC&Ns to include Parcel C. Parcel C is located within Global's 208 Plan  
 11 boundary and Global-Palo Verde is willing and able to provide wastewater service to Parcel C.  
 12 Therefore, we will extend AWC's CC&N to include Parcel C.

13 128. AWC requested an extension of its CC&N to include Parcel D as shown on AWC's  
 14 Exhibit A-7. AWC claimed that portions of Parcel D are contiguous to AWC's existing CC&N,  
 15 portions of Parcel D are included in Global-Palo Verde's 208 Plan boundary, and portions of parcel D  
 16 are located within the 208 Plan boundary for Casa Grande. Parcel D is owned by a single developer  
 17 and consists of 1,528 acres. Staff recommended excluding Parcel D from AWC's CC&N because  
 18 there is no matching wastewater request for service. However, Staff stated that if it were  
 19 recommending extending AWC's CC&N to include the portion of Parcel D within AWC's proposed  
 20 Planning Area, Staff would have recommended filling in the two small portions north of Parcel D,  
 21 which are adjacent to AWC's existing CC&N. AWC received an updated/renewed request for  
 22 service for Parcel D. We find that the portions of Parcel D that are within the 208 Plan boundary for  
 23 Global-Palo Verde should be included in AWC's CC&N because Global-Palo Verde is willing and  
 24 able to provide wastewater services to the area. However, the portions of Parcel D that are within the  
 25 208 Plan boundary of Casa Grande will not be included in AWC's CC&N at this time because it is  
 26 unclear when or if Casa Grande will extend wastewater service to those locations. In addition,  
 27

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28 <sup>284</sup> AWC Exhibit A-7.

<sup>285</sup> Id.

consistent with Staff's statement described above, we find that the two small portions north of Parcel D, as well as the south western portion of D (T07S, R05E Section 18), should also be included.

129. AWC obtained a new request for service for Parcel E, which consists of 303 acres. Global-Palo Verde does not have a matching request for wastewater service and Staff is recommending that Parcel E not be included in AWC's and Global-Palo Verde's CC&Ns. Because Parcel E has an updated request for water service, and is within Global's 208 Plan boundary, and Global-Palo Verde is willing and able to serve the area, we find that Parcel E should be included in AWC's CC&N. Further, we find it appropriate to fill in the areas surrounding Parcel E of which portions are contiguous to AWC's Stanfield System, to create a more logical boundary.

**c. Parcel Nos. 12, 14, 15, 17, and 18**

130. AWC stated that Parcel 14 will serve as part of the interconnection between AWC's Casa Grande and Stanfield Systems because it is contiguous on two sides to AWC's existing Casa Grande CC&N. Staff recommended denial of AWC's extension request for Parcel 14 because Global-Palo Verde was unable to obtain a renewed request for service for Parcel 14. According to Global's Exhibit G-27 (Exhibit B attached hereto), Global-Palo Verde had an original request for service for Parcel 14 and there is a recorded ICFA for the parcel. The landowner has not filed an objection to Global-Palo Verde being the wastewater provider. We find that AWC's and Global-Palo Verde's CC&Ns should be extended to include Parcel 14 because AWC has an updated/renewed request for water service and the parcel has a recorded ICFA (thereby providing additional notice of Global-Palo Verde's intent to provide wastewater service), and the landowner has not objected to Global-Palo Verde's intent to provide wastewater services to the area.

131. Global-Palo Verde obtained an updated request for wastewater service for Parcel 18. Although AWC obtained an initial request for water service for Parcel 18, it was unable to obtain a renewed request for that parcel.<sup>286</sup> Parcel 18 consists of 372 acres.<sup>287</sup> The landowner has not objected to being included in AWC's CC&N and we find that AWC's and Global-Palo Verde's CC&Ns should be extended to include Parcel 18. We also find that it is appropriate to round off the small

<sup>286</sup> AWC Exhibit A-7.

<sup>287</sup> Id.

1 portion to the east of Parcel 18 and the southern portion below Parcel 18 to create a more logical  
2 boundary.<sup>288</sup>

3 132. Staff recommended extending AWC's and Global-Palo Verde's CC&Ns to include  
4 Parcel Nos. 12 and 15, which are contiguous to Parcel 17. Parcel 17 consists of 156 acres and both  
5 AWC and the Global Utilities had original requests for service for Parcel No. 17. The landowner for  
6 Parcel 17 has not objected to being included in AWC's or Global-Palo Verde's CC&N. Therefore,  
7 we find that it is appropriate, based on Staff's recommendation to extend AWC's and Global-Palo  
8 Verde's CC&Ns to include Parcel 12 and Parcel 15, to also include Parcel 17 and to fill in the  
9 portion north of Parcel 17 and the southeast portion below Parcel 12 to create a more logical  
10 boundary.

11 **d. Parcel Nos. 10, 11, 13, and 16.**

12 133. Regarding Parcel Nos. 10 and 11, AWC had original requests for service and obtained  
13 updated requests for these parcels.<sup>289</sup> The Global Utilities had an original request for service for  
14 parcel 11, but they were unable to obtain an updated/renewed request for service.<sup>290</sup> The two parcels  
15 consist of approximately 110 acres.<sup>291</sup> Staff recommended exclusion of parcels 10 and 11 because  
16 there is not a matching updated request for wastewater service. We find that because AWC obtained  
17 updated requests for water service, because Parcels 10 and 11 are within Global-Palo Verde's  
18 existing 208 Plan boundary, and Global-Palo Verde is willing and able to provide wastewater service,  
19 AWC's and Global-Palo Verde's CC&Ns should be extended to include Parcels 10 and 11. Further,  
20 we find it appropriate to fill in the area adjacent to Parcel 11 and contiguous to AWC's Stanfield  
21 system to create a more logical boundary.

22 134. Parcel 13 is contiguous to Parcels 10 and 11 and consists of 80 acres. Both AWC and  
23 the Global Utilities had original requests for service, but neither utility was able to obtain updated  
24 requests for service for Parcel 13. However, Global has a recorded ICFA for Parcel 13. Because  
25 Parcel 13 is contiguous to Parcels 7, 10, and 11, which we agree should be included in AWC's and  
26

27 <sup>288</sup> Id.

28 <sup>289</sup> Id.

<sup>290</sup> Staff Exhibit S-9.

<sup>291</sup> AWC Exhibit A-7.

Global-Palo Verde CC&N, (see discussion above) we find that AWC's and Global-Palo Verde's CC&Ns should be extended to also include Parcel 13. Further, we find it appropriate to fill in the portion east of Parcel 13 in order to create a more logical boundary.

135. Parcel 16 consists of 80 acres. AWC received an updated verbal affirmation for water service from the property owner of Parcel 16.<sup>292</sup> Global-Palo Verde does not have a matching request for wastewater service for Parcel 16,<sup>293</sup> although Parcel 16 is located within the approved Global 208 boundary.<sup>294</sup> Because AWC has an updated request for water service for Parcel 16 and the parcels adjacent to Parcel 16 have been approved herein, and in order to create a more logical boundary, we find that AWC's CC&N should be extended to include Parcel 16.

## 2. Global Utilities' Proposed Planning Area

136. According to the Agreement between AWC and the Global Utilities, Global-Palo Verde agreed to provide wastewater service within AWC's CC&N and proposed Planning Area, including within AWC's Stanfield System. Global-Palo Verde obtained a significant number of reaffirmed wastewater requests for service in AWC's Stanfield System.<sup>295</sup> Staff has recommended extending Global-Palo Verde's CC&N to only those areas where it has reaffirmed requests for service, we find it appropriate to extend Global-Palo Verde's CC&N to provide wastewater service in accordance with Staff's recommendation.

137. In addition to the areas discussed above, the Global Utilities received a considerable number of updated and/or new requests for service for both water and wastewater, and for wastewater only in some instances, within the Global proposed Planning Area.<sup>296</sup> Staff recommended extending the Global Utilities' CC&Ns where there are matching requests for water and wastewater, and where Global has a request for wastewater either within AWC's existing service territory or where AWC has a corresponding verbal affirmation requesting water service. We concur with Staff's recommendation regarding those areas, and also find it appropriate to fill in areas around which the Global Utilities received requests for service, in order to create more logical boundaries as illustrated

<sup>292</sup> AWC Exhibit A-7.

<sup>293</sup> Staff Exhibit S-9.

<sup>294</sup> AWC Exhibit A-7.

<sup>295</sup> Staff Exhibit S-9.

<sup>296</sup> Staff Exhibit S-9.



in Amended Exhibit F attached hereto. Further, we adopt Staff's recommendation to extend Global-Palo Verde's wastewater CC&N to include the area known as Copper Mountain Ranch Community Facilities District.

138. The Global Utilities filed as a late-filed exhibit an updated request for service from Dugan Lands, LLC ("Dugan") for wastewater service. Staff recommended inclusion of the Dugan parcel in Global-Palo Verde's CC&N extension area.<sup>297</sup> We concur with Staff's recommendation.

#### IV. TRANSFER APPLICATIONS

139. On August 20, 2007, Francisco Grande and CP Water filed an application with the Commission requesting authority to transfer their respective CC&Ns and assets to Global-Palo Verde and Global-Santa Cruz ("Transfer Docket").<sup>298</sup> Specifically, the application seeks to:

1. Transfer Francisco Grande's wastewater CC&N to Global-Palo Verde;
2. Transfer Francisco Grande's water CC&N to Global-Santa Cruz;
3. Transfer CP Water's CC&N to Global-Santa Cruz;
4. Transfer Francisco Grande's wastewater assets to Global-Palo Verde;
5. Transfer Francisco Grande's water assets to Global-Santa Cruz; and
6. Transfer CP Water's assets to Global-Santa Cruz.

140. AWC initially sought intervention in the Transfer Docket, objecting to the transfer of CC&Ns to the Global Utilities. AWC claimed that it has been providing water service in portions of Francisco Grande's CC&N area and that AWC was the sole water provider for CP Water's service territory.<sup>299</sup> Under the terms of the Agreement, AWC is now supporting the transfer application of Francisco Grande and CP Water.<sup>300</sup>

141. Francisco Grande and CP Water have been acquired by GWR.<sup>301</sup> Both Francisco Grande and CP Water are located in Pinal County southeast of Maricopa and west of Casa Grande.<sup>302</sup> According to Staff, CP Water's service territory encompasses approximately two square miles and

<sup>297</sup> See the Global Utilities Motion to Admit Late-Filed Exhibit dated June 30, 2009. See also Staff's Memorandum dated July 29, 2009.

<sup>298</sup> See, Docket No. WS-01775A-07-0485 et al.

<sup>299</sup> Procedural Order (December 6, 2007) grants intervention. See Docket No. WS-01775A-07-0485 et al.

<sup>300</sup> Testimony of William Garfield, Exhibit A-1 at 14.

<sup>301</sup> Staff Report, Exhibit S-1 at 6.

<sup>302</sup> Id.

1 currently serves 18 customers.<sup>303</sup> Staff states that Francisco Grande's water service territory  
 2 encompasses approximately 14 square miles and its wastewater service territory includes 18 square  
 3 miles; but has no existing customers or water infrastructure.<sup>304</sup> In support of the transfer applications,  
 4 the Global Utilities assert that: the transfer will consolidate the CC&Ns in an area adjacent to Global  
 5 service areas; no objections have been filed to the transfer; and therefore the transfer should be  
 6 approved.<sup>305</sup>

7 142. Staff recommends approval of the Francisco Grande and CP Water transfer  
 8 applications.<sup>306</sup> Staff states that the proposed transfer should have no impact on customers in the  
 9 transfer service territories because Francisco Grande has no customers and CP Water's 18 customers  
 10 have rates that are lower than the rates CP's customers would pay to Global-Santa Cruz.<sup>307</sup> Staff  
 11 believes that the transfer of the CP Water and Francisco Grande CC&Ns and assets will provide for  
 12 economies of scale, and the transfers are consistent with the policy goal of encouraging small water  
 13 company consolidation when feasible and practicable.<sup>308</sup>

14 143. Under the terms of the Agreement, the Global Utilities are also requesting authority to  
 15 transfer to AWC the CC&N for a small parcel of land that is currently located in Global-Santa Cruz's  
 16 CC&N. The parcel is located on the westernmost boundary of AWC's proposed Planning Area just  
 17 south of Arizona Highway 84. The Global Utilities state that no party has opposed the transfer and it  
 18 should be granted.

#### 19 **A. Resolution of Transfer Applications**

20 144. The transfer applications requested authority to transfer CP Water's CC&N and assets  
 21 to Global-Santa Cruz. Although AWC initially opposed the transfers, under terms of the Settlement  
 22 Agreement AWC withdrew its objections. Staff recommended approval of the transfer of assets and  
 23

24 <sup>303</sup> Id.

25 <sup>304</sup> Id.

<sup>305</sup> Global Closing Brief at 9.

<sup>306</sup> Staff Report, Exhibit S-1 at 7.

26 <sup>307</sup> Subsequent to the filing of the Staff Report in this matter, the Commission issued Decision No. 71878 (September 15,  
 27 2010) approving a rate increase for Global-Santa Cruz. The new rate for 5/8 x 3/4-meter customers is \$27.68, with zero  
 28 gallons included in the minimum. CP Water's rate for 5/8 x 3/4-inch meter customers at the time of the Staff Report was  
 \$5.00 for the first 5,000 gallons. According to the Decision, notice was given to CP Water's customers in accordance  
 with the law.

<sup>308</sup> Staff Report, Exhibit S-1 at 7.

1 CC&Ns of CP Water and Francisco Grande to the respective Global Utilities based on Staff's  
2 conclusion that the transfers are in the public interest.

3 145. On February 16, 2011, Global Utilities filed a Motion to Withdraw the Francisco  
4 Grande Transfer application, stating that the underlying agreement to purchase the stock of Francisco  
5 Grande had expired and that ownership of the land had reverted back to the original owner. Further,  
6 Global Utilities stated that the original owner disputed the reversion, but that the dispute had been  
7 resolved through arbitration, which found that the escrow was terminated and the shares must be  
8 returned to the former owner.

9 146. On March 6, 2011, Staff filed a response to Global Utilities Motion to Withdraw the  
10 Francisco Grande Transfer application. Staff stated that Staff believes Global Utilities, as co-  
11 applicant of the transfer application, has standing to request withdrawal of the application and that  
12 Staff has no objection to the withdrawal of the transfer application.

13 147. Francisco initially objected to Global Utilities Motion to Withdraw the Francisco  
14 Grande application. However, Francisco stated that it no longer has an objection to Global Utilities  
15 Motion, but requested that Francisco remain a party to this proceeding.

16 148. On May 6, 2011, by Procedural Order Global Utilities' Motion to Withdraw the  
17 Francisco Grande application and Francisco's request to remain a party to this proceeding was  
18 granted.

19 149. The Global Utilities are also requesting the transfer to AWC's CC&N a small parcel  
20 of land that is currently located in Global-Santa Cruz's CC&N. Although the Global Utilities had an  
21 original request for water service for the parcel, Staff did not address the transfer in the Staff Report.  
22 In its supplemental filing, Staff stated it does not oppose the transfer from Global to AWC.  
23 Therefore, we approve the requested transfer.

24 **V. COMPLAINT DOCKET**

25 150. Under the terms of the Agreement, AWC agreed to withdraw its Complaint  
26 proceeding, without prejudice, filed against the Global Utilities and various Global entities.  
27 According to the Agreement, AWC's withdrawal of the Complaint is contingent upon the  
28

Commission's approval of the Settlement Agreement.

151. For the reasons discussed above, we have declined to approve the Settlement Agreement between AWC and the Global Utilities. We have, however, approved a number of the extension requests in accordance with the parameters of the Agreement, as modified in part by Staff's recommendations. AWC should file within 30 days of the effective date of this Decision, as a compliance item in this docket, a statement regarding whether it believes its Formal Complaint should be dismissed.

### **CONCLUSIONS OF LAW**

1. Arizona Water Company, Global-Palo Verde, Global-Santa Cruz, CP Water Company, and Francisco Grande Utility Company are public service corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-246, 40-281, 40-282, and 40-285.

2. The Commission has jurisdiction over Arizona Water Company, Global-Palo Verde, Global-Santa Cruz, CP Water Company, and Francisco Grande Utility Company and the subject matter of the CC&N extension and transfer applications, and the Complaint.

3. Notice of the applications was provided in accordance with the law.

4. There is a public need and necessity for water and wastewater service in the proposed service territories as set forth herein.

5. Subject to compliance with the conditions and modifications discussed herein, Arizona Water Company, Global-Palo Verde, and Global-Santa Cruz are fit and proper entities to receive extensions of their respective water and wastewater Certificates.

6. There is a public need and necessity for water utility service in the transfer area.

7. Approval of the transfer application is in the public interest.

8. Global- Santa Cruz is a fit and proper entity to acquire the assets and CC&N of CP Water Company.

9. Staff's recommendations, as modified and set forth herein, are reasonable and should be adopted.

...

**ORDER**

IT IS THEREFORE ORDERED that Arizona Water Company's Certificate of Convenience and Necessity to provide water service in Pinal County is hereby extended as set forth herein.

IT IS FURTHER ORDERED that Global-Palo Verde Certificate of Convenience and Necessity to provide wastewater service in Pinal County is hereby extended as set forth herein.

IT IS FURTHER ORDERED that Global-Santa Cruz Certificate of Convenience and Necessity to provide water service in Pinal County is hereby extended as set forth herein.

IT IS FURTHER ORDERED that CP Water Company's application to transfer its assets and Certificate of Convenience and Necessity to Global-Santa Cruz is hereby approved.

IT IS FURTHER ORDERED that Arizona Water Company shall file with Docket Control, as a compliance item in this docket by December 31, 2014, a copy of the Approval to Construct for the first parcel to be served in the extension areas.

IT IS FURTHER ORDERED that Arizona Water Company shall file legal descriptions consistent with the Certificate of Convenience and Necessity extension areas approved in this Decision, and this Decision shall not go into effect until the legal descriptions are found to be acceptable by Staff.

IT IS FURTHER ORDERED that Arizona Water Company shall file with Docket Control, as a compliance item in this docket, within 30 days of the effective date of this Decision, a statement regarding whether it believes its Formal Complaint should be dismissed.

IT IS FURTHER ORDERED that Global-Santa Cruz shall file with Docket Control, as a compliance item by December 31, 2014, a copy of the Certificate of Approval to Construct issued by the Arizona Department of Environmental Quality for the wells, mains, storage tank, and booster pump station installed to serve the first parcel in the requested extension area.

IT IS FURTHER ORDERED that Global-Santa Cruz shall file with Docket Control, as a compliance item by December 31, 2014, a letter from Arizona Department of Water Resources indicating that Global-Santa Cruz's Designation of Assured Water Supply has been modified and approved to include the approved extension areas.

IT IS FURTHER ORDERED that Global-Santa Cruz shall file with Docket Control, as a

compliance item by December 31, 2014, a letter from Arizona Department of Water Resources indicating that Global-Santa Cruz' Designation of Assured Water Supply has been modified and approved to include the CP Water Company service areas.

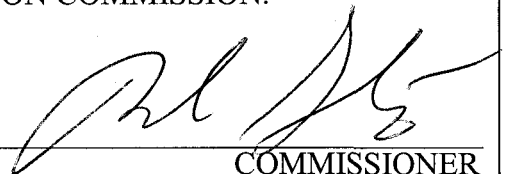
IT IS FURTHER ORDERED that Global-Palo Verde shall file with Docket Control, as a compliance item in this docket by December 31, 2014, a copy of the Approval to Construct for the sewer mains that serve the first parcel in the approved extension area.

IT IS FURTHER ORDERED that Global-Palo Verde and Global-Santa Cruz shall file legal descriptions consistent with the CC&N extension areas approved herein, and that this Decision shall not become effective until the legal descriptions are found to be acceptable by Staff.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

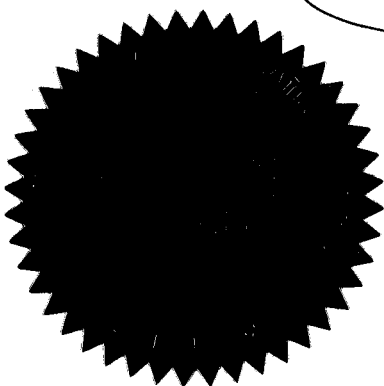
  
CHAIRMAN

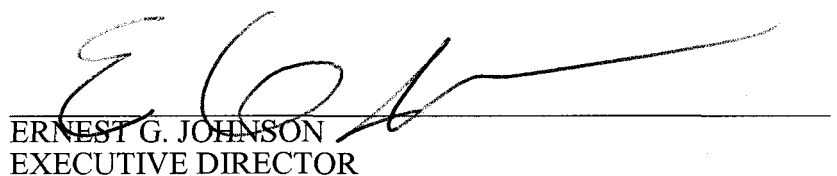
  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 15<sup>th</sup> day of MAY, 2012.



  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR:

ARIZONA WATER COMPANY, PALO VERDE  
UTILITIES COMPANY, SANTA CRUZ WATER  
COMPANY, GLOBAL WATER RESOURCES, LLC, CP  
WATER COMPANY and FRANCISCO GRANDE  
UTILITIES

4 DOCKET NOS.:

W-01445A-06-0199, SW-03575A-05-0926, W-03576A-  
05-0926, SW-03575A-07-0300, W-03576A-07-0300, W-  
01445A-06-2200, SW-20445A-06-0200, W-20446A-06-  
0200, W-03576A-06-0200, SW-03575A-06-0200, WS-  
01775A-07-0485, SW-03575A-07-0485, W-02442A-07-  
0485, and W-03576A-07-0485.

8 Robert W. Geake  
ARIZONA WATER COMPANY  
9 3805 North Black Canyon Highway  
Phoenix, AZ 85015

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ANDERSON & BARNES 580, LLP  
ANDERSON & MILLER 694, LLP  
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Phoenix, AZ 85004  
13 Attorneys for Arizona Water Company

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Attorneys for CHI Construction Company,  
CP Water Company, Robson Utilities

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Michael W. Patten  
15 ROSHKA DEWULF & PATTEN, PLC  
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18 Mayor Chuck Walton  
CITY OF CASA GRANDE  
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Casa Grande, AZ 85222

Philip J. Polich  
GALLUP FINANCIAL, LLC  
5040 East Shea Boulevard, No. 254B  
Scottsdale, AZ 85254

20 Graham Symmonds, Senior Vice President  
21 GLOBAL WATER MANAGEMENT  
21410 North 19<sup>th</sup> Avenue, Suite 201  
22 Phoenix, AZ 85027

Craig A. Marks  
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23 Ken Franks  
ROSE LAW GROUP, PC  
24 6613 North Scottsdale Road, Suite 200  
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Janice Alward, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

Steven M. Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

**EXHIBIT "A"****SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is entered into as of May 15<sup>th</sup>, 2008 between Arizona Water Company and Global Water Resources, LLC and its subsidiaries and affiliates, including but not limited to Global Water Inc., Global Water - Santa Cruz Water Company, Global Water - Palo Verde Utilities Company, Francisco Grande Utility Company, CP Water Company, Global Water - Picacho Cove Water Company and Global Water - Picacho Cove Utilities Company (collectively, "Global" or the "Global Entities"). Arizona Water Company and the Global Entities are referred to as the "Parties."

**RECITALS**

A. Arizona Water Company and certain of the Global Entities are parties to certain cases pending before the Arizona Corporation Commission ("Commission") that are listed in Exhibit A to this Agreement and incorporated by this reference. Collectively, these cases are referred to as the "Related Proceedings."

B. In the Related Proceedings, one or more of the Parties filed an application for extension of its Certificate of Convenience and Necessity ("CCN"), intervened in and protested one or more of the CCN applications, filed a complaint with the Commission involving one or more of the Parties, sought Commission approval for the transfer of their CCN, or intervened in and protested an application for the transfer of CCNs.

C. The Parties desire to end their disputes and to provide for the resolution of the Related Proceedings on certain terms and conditions that are in the public interest. The Parties' agreement concerning a comprehensive settlement of their disputes in the Related Proceedings has compelling public benefits. It is therefore in the public interest for the Commission to



approve this Agreement, including the planning areas and CCN Applications amended as set forth below, for the following reasons, among others:

(1) Arizona Water Company, Global Water - Santa Cruz Water Company, Francisco Grande Utility Company, CP Water Company, and Global Water - Picacho Cove Water Company (collectively, the "Concurring Water Utilities") have identified and established logical and supportable geographic boundaries between their respective CCNs and planning areas, such as major thoroughfares like Kortsen Road and John Wayne Parkway;

(2) The expanded use of reclaimed water in areas where the CCNs and planning areas of Arizona Water Company and Global Water - Palo Verde Utilities Company overlap (the "Overlap Areas") will reduce reliance on other water sources and on the Central Arizona Groundwater Conservation District;

(3) Two large, regionally significant water providers will set aside their differences and work cooperatively in a manner that will assist in water conservation efforts and prudent, sustainable uses of groundwater and other water resources; and

(4) The Parties, Commission and Commission Staff will be spared the expense and resources necessary to adjudicate the numerous disputed cases between the Parties.

D. A central premise and material consideration of the Parties' settlement of the Related Proceedings is their agreement about the urgent need for the Concurring Water Utilities to undertake and continue their long-term master planning process. The Parties' planning areas lie within an Active Management Area that has limited access to surface water with projected continued record growth. The resulting demands on water resources require the Concurring

Water Utilities to engage in long-term water resource and service planning to assure that current and future customers continue to receive reliable water service. That process requires the Concurring Water Utilities to plan, design, construct, finance, and operate water supply, treatment, storage, and transmission and distribution infrastructure to meet the public water supply requirements within defined geographic areas which include their existing CCNs and in their respective CCN extensions and planning areas as provided for in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, obligations, representations and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### AGREEMENT

1. Compromise of Dispute. The Parties acknowledge, represent and warrant the truth, accuracy and correctness of the foregoing recitals. The Parties each agree that this Agreement is a compromise of disputed claims, and that fully implementing this Agreement will advance important public policies favoring orderly and efficient regional planning, development, and management of water supplies.

2. Planning Area Boundary Settlement. As part of a comprehensive settlement of their disputes in the Related Proceedings, the Parties have reached agreement on the logical and supportable geographic boundaries between the Concurring Water Utilities' respective planning areas. Arizona Water Company shall amend its Pinal Valley Water System Planning Area and Global shall amend its planning areas (collectively the "Planning Areas") as set forth on the Settlement Map dated April 18, 2008 which is attached as Exhibit B to this Agreement and incorporated by this reference (the "Settlement Map").

3. Amendments to CCN Applications.

a. Arizona Water Company shall amend its CCN application in Docket W-01445A-06-0199 to exclude from its application the area shown on the Settlement Map as Arizona Water Company CCN Application Deletion Area.

b. Arizona Water Company shall amend its Planning Area and amend its CCN application in Docket W-01445A-06-0199 to include the area west to John Wayne Parkway, as shown on the Settlement Map as Arizona Water Company Addition to CCN Application Area.

c. Global Water - Santa Cruz Water Company shall amend its CCN application in Docket W-03576A-05-0926 to exclude the areas shown on the Settlement Map as Santa Cruz Water Company CCN Application Deletion Areas.

d. Global Water - Santa Cruz Water Company shall include within its Planning Area those areas shown on the Settlement Map as Arizona Water Company CCN Application Deletion Area which are not presently included in Global Water - Santa Cruz Water Company's CCN application in Docket W-03576A-05-0926.

e. The Concurring Water Utilities shall jointly apply for and support the Commission's approval of the Parties' Planning Areas and CCN applications as amended in accordance with the Settlement Map (the "Amended Planning Areas and CCN Applications").

4. Procedures to Enforce Settlement.

a. The Parties shall prepare and file a joint, stipulated motion identifying and jointly supporting and requesting Commission approval of the Amended Planning Areas and CCN Applications in accordance with the Commission's procedures.

b. Global shall withdraw its objections to Arizona Water Company's CCN application in Docket W-01445A-06-0199 et seq., as amended.

c. Arizona Water Company shall withdraw its objection to Global's application for approval of the transfer to Global Water - Santa Cruz Water Company and Global Water - Palo Verde Utilities Company of the CCNs of Francisco Grande Utility Company and CP Water Company.

d. Arizona Water Company shall withdraw its objections to Global Water - Santa Cruz Water Company's CCN application in Docket W-03576A-05-0926, as amended.

e. Arizona Water Company shall withdraw its objection to Global Water - Palo Verde Utilities Company's applications for wastewater CCNs in Arizona Water Company's existing CCN or its amended CCN application.

f. The Concurring Water Utilities shall jointly request and actively support Commission approval of Arizona Water Company's CCN application in Docket No. W-01445A-04-0743.

g. Following the Commission's approval of the Amended Planning Areas and CCN Applications, Arizona Water Company and Global shall jointly request the Commission to dismiss Arizona Water Company's complaint against Global, without prejudice, in accordance with the terms of this Agreement.

5. Condition of Commission Approval of Amended Planning Areas and CCN Applications; Contingencies. The terms and conditions of this Agreement are expressly subject to, among other things, the condition that the Commission approve the Amended Planning Areas

and CCN Applications. Any Party may withdraw from this Agreement and terminate any of the agreements and understandings contained herein if the Commission: (i) does not approve the Amended Planning Areas and CCN Applications; (ii) does not dismiss the complaint case as contemplated in this Agreement; or (iii) imposes conditions or restrictions in any order which any Party determines to be materially burdensome or unacceptable. If the Commission's decision or decisions in the Related Proceedings causes a Party to invoke one of the foregoing contingencies, the Parties agree to jointly apply for rehearing and, if one of the Parties deems it appropriate, support an appeal of the Commission's decision or decisions in a court of competent jurisdiction. The Parties shall communicate the substance of this provision to the Commission so that the Commission understands that the settlement is subject to the foregoing contingencies, and the joint motion to the Commission to approve the Concurring Water Utilities' Amended Planning Areas and CCN Applications shall include language providing that if the Commission fails to issue an order adopting all material terms of this Agreement, any or all of the Parties may withdraw from this Agreement.

6. Agreement Not To Interfere.

- a. The Parties shall respect and not interfere with each other's existing CCNs or CCNs to be approved in the Related Proceedings as set forth on the Settlement Map.
- b. The Parties shall respect and not interfere with each other's Planning Areas as set forth on the Settlement Map in the same fashion and to the same extent as they shall respect and not interfere with each other's CCNs.
- c. The Parties' respect and non-interference with each other's CCNs and Planning Areas means they shall not apply for, or encourage others to apply for, water CCNs in the other

Parties' CCNs or Planning Areas. The Parties shall not directly or indirectly solicit or encourage any person, entity, landowner, or developer to request water service from any entity other than the Concurring Water Utility in whose CCN or Planning Area such water service is requested.

7. Agreement to Cooperate.

a. Global, including without limitation its subsidiary Global Water - Palo Verde Utilities Company, shall enter into an agreement with Arizona Water Company to supply available reclaimed water to Arizona Water Company, if requested, to be sold and delivered by Arizona Water Company within its CCN and Planning Area. In order to ensure that maximum efficiencies can be attained by Arizona Water Company in its deployment of potable and reclaimed water, neither Global nor Global Water - Palo Verde Utilities Company shall sell or distribute reclaimed water within Arizona Water Company's CCN or Planning Area except to Arizona Water Company, which shall be the retail provider of reclaimed water in such areas. Global Water - Palo Verde Utilities Company shall not be obligated to sell reclaimed water to Arizona Water Company in any amount in excess of the amount of reclaimed water generated in the Overlap Areas.

b. Global and Arizona Water Company shall work cooperatively in connection with Global's efforts to provide wastewater service within the western part of Arizona Water Company's CCN and Planning Area in places where the City of Casa Grande or other entity is not planning to provide wastewater service.

8. Operations in the Overlap Areas. The Managers of Arizona Water Company's Casa Grande Division and Global Water - Palo Verde Utilities Company shall meet as required to exchange information and coordinate the provision of service in the Overlap Areas.

9. Resolution of Complaint. Arizona Water Company shall withdraw the Complaint against the Global Entities as follows:

a. Following the Commission's approval of the Amended Planning Areas and CCN Applications, the Parties shall jointly request the Commission to dismiss the Complaint without prejudice.

b. The Parties agree that such disposition of the Complaint shall not be deemed to be an admission of liability, responsibility, or wrongdoing by Global nor an admission, acknowledgment, acceptance, or approval by Arizona Water Company of any of Global's activities or practices.

c. Arizona Water Company agrees not to raise or pursue allegations such as those asserted in its Complaint against Global as long as Global does not protest, oppose, or interfere with any CCN or prospective CCN of Arizona Water Company. Nothing in the foregoing prohibits either Party from filing competing CCN applications or raising or pursuing such allegations or arguments as they deem appropriate in areas outside of those set forth in the Settlement Map.

10. Fees and Costs. The Parties agree that each Party shall bear its own attorney fees, costs, expert witness fees, and other litigation expenses for each of the Related Proceedings and this Agreement. In the event a dispute arises between the Parties to enforce the terms of this Agreement, the successful or prevailing Party to such dispute shall be entitled to an award of its reasonable attorneys' fees, costs and expenses, whether or not an action is filed.

11. Advice and Assistance of Counsel. Each Party represents and warrants that the terms of this Agreement have been completely read, fully understood and voluntarily accepted, with advice of counsel, and that each of the Parties has participated in its preparation.

12. Entire Agreement. This Agreement shall constitute the entire agreement between the Parties with respect to its subject matter, and supersedes any prior verbal or written agreement. No modification of this Agreement shall be binding upon any Party unless it is in writing and executed by duly authorized representatives of the Parties.

13. Parties Affected by Agreement. The terms and conditions, representations and covenants of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, personal representatives, heirs and assigns.

14. Time of the Essence. Time is of the essence and each Party shall diligently perform its obligations hereunder in a timely fashion in accordance with the provisions of this Agreement.

15. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Arizona.

16. Additional Acts. The Parties agree to cooperate fully to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

17. Counterparts. This Agreement may be executed in any number of counterparts. Each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and  
year first written above.

Arizona Water Company

*William M. Garfield*

By: **WILLIAM M. GARFIELD**  
Its: **President**  
Global Water Resources, LLC

By:  
Its:

Global Water Inc.

By:  
Its:

Global Water – Santa Cruz Water Company

By:  
Its:

Global Water – Palo Verde Utilities Company

By:  
Its:

Francisco Grande Utility Company

By:  
Its:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and  
year first written above.

**Arizona Water Company**

\_\_\_\_\_  
By:  
Its:

**Global Water Resources, LLC**



\_\_\_\_\_  
By: Trevor T. Hill  
Its: President

**Global Water Inc.**



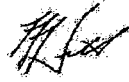
\_\_\_\_\_  
By: Trevor T. Hill  
Its: President

**Global Water – Santa Cruz Water Company**



\_\_\_\_\_  
By: Trevor T. Hill  
Its: President

**Global Water – Palo Verde Utilities Company**



\_\_\_\_\_  
By: Trevor T. Hill  
Its: President

**Francisco Grande Utility Company**



\_\_\_\_\_  
By: Trevor T. Hill  
Its: President

**CP Water Company**



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By: Trevor T. Hill  
Its: President

**Global Water - Picacho Cove Water Company**



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By: Trevor T. Hill  
Its: President

**Global Water - Picacho Cove Utilities Company**



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By: Trevor T. Hill  
Its: President

**Related Proceedings**

Docket Number	Applicant or Complainant	Description
W-1445A-04-0743	Arizona Water Company	Extension of water CCN
SW-03575A-05-0926	Global Water - Palo Verde Utility Company	Extension of wastewater CCN
W-03576A-05-0926	Global Water - Santa Cruz Water Company	Extension of water CCN
W-01445A-06-0199	Arizona Water Company	Extension of water CCN
W-01445A-06-0200 et al	Arizona Water Company	Complaint by Arizona Water Company
SW-03575A-07-0300	Global Water - Palo Verde Utilities Company	Extension of wastewater CCN (for Legends development)
W-03576A-07-0300	Global Water - Santa Cruz Water Company	Extension of water CCN (for Legends development)
WS-01775A-07-0485 SW-03575A-07-0485 W-02442A-07-0485 W-03576A-07-0485	Francisco Grande Utility Company; CP Water Company; Global Water - Santa Cruz Water Company; Global Water - Palo Verde Utilities Company	Transfer of CCNs from Francisco Grande Utility Company and CP Water Co.

April 18, 2008



## EXHIBIT "B"

G-27

Status of Request for Service letters for the SESA						
Developer/Development	ICFA recorded	Status of New RES	approximate acres	approximate units	acres received	
<b>Santa Cruz/Palo Verde</b>						
2 Stanfield Partners / Turner Dunn	yes	received	95	334	95	
3 Dart Property / Terry Button	yes	no reply	620	2,170		
4 Santa Cruz Land Co / Santa Cruz Ranch / Anderson Val Vista 6	yes	received	1,188	4,157	1,188	
5 SCR, LLC / Scott Cole & Bryan Hartman	yes	received	674	2,359	674	
6 JP Holdings LP / Solana Ranch North	yes	received	667	2,335	667	
7 Anderson & Barnes 580 LLP / Solana Ranch South	yes	received	580	2,030	580	
8 120 Townsend (Yount)	yes	received	200	700	200	
9 NS120 (Yount)	yes	received	120	420	120	
10 Montgomery 156 (Yount)	yes	received	156	546	156	
11 CG 215 (Yount)	yes	received	215	753	215	
12 Casa Grande Montgomery 240 (Yount)	yes	received	240	840	240	
13 RRY Casa Grande 320 (Yount)	yes	received	320	1,120	320	
14 SVVM 80 (Yount)	yes	received	80	280	80	
15 VV Monty (Yount)	yes	received	60	210	60	
16 RRY Real Estate (Yount)	yes	received	40	140	40	
17 Robin R Yount LTD (Yount)	yes	received	40	140	40	
18 Richard and Dana (Yount)	yes	received	40	140	40	
19 Bruce and Karen (Yount)	yes	received	40	140	40	
20 Sacaton BL (Yount)	yes	received	280	980	280	
21 Trading Post Road LLC (Yount)	yes	received	60	210	60	
22 Chartwell Casa Grande (Yount)	yes	received	40	140	40	
23 Gallup Financial (Commercial)	yes	received	1,216	4,256	1,216	
24 Gallup Financial (Residential)	yes	received	1,484	5,194	1,484	
25 CRW Holdings, LLC	yes	no reply	30	105		
26 Val Vista & Montgomery (Mark Williams)	yes	received	40	140	40	
27 Williams Trusts (Mark Williams)	yes	received	160	560	160	
28 Blevins Farms	yes	no reply	160	560		
29 Kronwald Family Trust	yes	no reply	80	280		
30 Henry McMillan and Alexander McMillan	yes	no reply	25	88		
31 Teel 80 (Reinbold)	yes	received	82	287	82	
34 Kasson and Company	NO	New	125	438	125	
35 Val Vista & Midway	NO	New	40	140	40	
36 William MacKenzie	NO	New	77	270	77	
37 Maricopa Weber	NO	New	283	991	283	
43 Langley Properties (Stanmar 160)	yes	received	160	560	160	
44 Langley Properties (CCB is now Stanmar 95)	yes	received	95	333	95	
			<b>9,813</b>	<b>34,344</b>	<b>8,897</b>	<b>91%</b>
<b>Palo Verde only</b>						
1 Carranza Associates / Turner Dunn	yes	received	80	280	80	
32 Ken Lowman - KEJE	yes	no reply	80	280		
33 Hampden and Chambers	yes	received	807	2,825	807	
38 ROB-LIN Marketing (Sundt)	yes	received	1,228	4,298	1,228	
39 Vistoso Partners / Jorde Hacienda	yes	no reply	3,120	10,920		
40 ABCDW, LLC (Vistoso Stanfield 1942)	yes	received	1,942	6,797	1,942	
41 Vanderbilt Farms, LLC (Thude/Vistoso)	yes	received	1,920	6,720	1,920	
41 Langley Stanfield Estates (Hay Hollow)	yes	received	220	770	220	
42 Langley Stanfield Estates (Hay Hollow PH 2)	yes	no reply	220	770		
45 Terbus Investments	yes	no reply	40	140		
46 Douglas Payne	yes	no reply	80	280		
47 Matt Montgomery/SPD, INC	yes	no reply	1,200	4,200		
48 El Dorado: Parker Estates	yes	received	640	2,240	640	
49 El Dorado: Honda 840	yes	received	640	2,240	640	
50 El Dorado: Rio Lobo, LLC	yes	received	640	2,240	640	
51 El Dorado: Big Trail, LLC / Dunmar Farms / B Bennett	NO	received	640	2,240	640	
52 El Dorado: Lonely Trail 780	NO	received	780	2,730	780	
53 Langley Properties (Talla West)	NO	received	431	1,509	431	
54 Langley Properties (south part of jv with wolfswinkie)	NO	received	625	2,188	625	
54 Langley Properties (south part of jv with wolfswinkie)	NO	waiting	218	763		
55 Selma & Midway	NO	New	221	774	221	
56 Stanfield 370	NO	no reply	370	1,295		
57 BET, Inv.	NO	received	60	210	60	
			<b>15,235</b>	<b>53,323</b>	<b>9,987.14</b>	<b>66%</b>
<b>58 Legends</b>	<b>yes</b>	<b>received</b>	<b>7,143</b>	<b>25,000</b>	<b>7,143</b>	<b>100%</b>

\*updated 6/4/09

## EXHIBIT "C"

Status of Request for Service Letters for the SESA

Developer/Development

ICRA recorded

Status of

Appropriate

Appropriate

SESAs

## Santa Cruz/Palo Verde

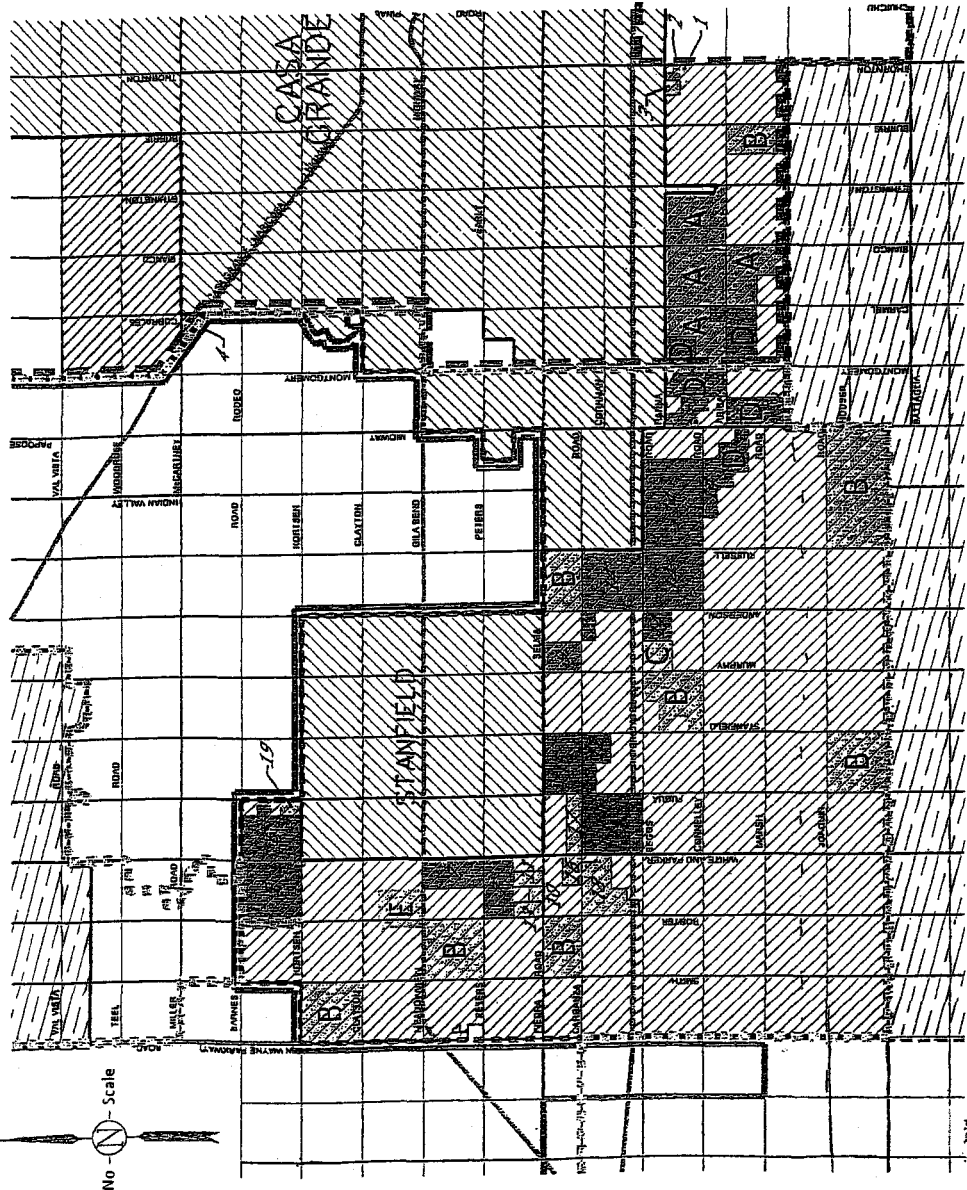
1	Carranza Associates / Turner Dunn	yes	no reply	80	280	
2	Stanfield Estates / Turner Dunn	yes	no reply	95	334	
3	Part Property / Terry Button	yes	no reply	620	2,170	
4	Santa Cruz Land Co / Santa Cruz Ranch / Anderson Val Vista 6	yes	received	1,188	4,157	1,188
5	SCB, LLC / Scott Cole & Bryan Hartman	yes	received	674	2,359	674
6	JP Holdings LP / Solana Ranch North	yes	received	667	2,335	667
7	Anderson & Barnes 580 LLP / Solana Ranch South	yes	received	580	2,030	580
8	120 Townsends (Yount)	yes	received	200	700	200
9	NS120 (Yount)	yes	received	120	420	120
10	Montgomery 156 (Yount)	yes	received	156	546	156
11	CG 215 (Yount)	yes	received	215	753	215
12	Casa Grande Montgomery 240 (Yount)	yes	received	240	840	240
13	RRY Casa Grande 320 (Yount)	yes	received	320	1,120	320
14	SVW 80 (Yount)	yes	received	80	280	80
15	VV Monty (Yount)	yes	received	60	210	60
16	RRY Neal Estate (Yount)	yes	received	40	140	40
17	Robt R Yount LTD (Yount)	yes	received	40	140	40
18	Michael and Dana (Yount)	yes	received	40	140	40
19	Bruce and Karen (Yount)	yes	received	40	140	40
20	Sacaton BL (Yount)	yes	received	280	980	280
21	Trading Post Road LLC (Yount)	yes	received	60	210	60
22	Chertwell Casa Grande (Yount)	yes	received	40	140	40
23	Callup Financial (Commercial)	yes	received	1,216	4,256	1,216
24	Callup Financial (Residential)	yes	received	1,484	5,194	1,484
25	CRW Holdings LLC	yes	no reply	30	105	
26	Val Vista & Montgomery (Mark Williams)	yes	received	40	140	40
27	Williams Trusts (Mark Williams)	yes	received	160	560	160
28	Bleuins	yes	no reply	160	560	
29	Kronwald Family Trust	yes	no reply	80	280	
30	Henry McMillan and Alexander McMillan	yes	no reply	25	88	
31	Teel 80 (Reinhold)	yes	no reply	82	287	
32	Ken Lowman	yes	no reply	80	280	
33	Timmyberg / Hamden and Chambers	yes	no reply	807	2,825	
34	Kasson and Company	NO	no reply	125	438	
35	Val Vista & Midway	NO	no reply	40	140	
36	William Mackenzie	NO	no reply	77	270	
37	Marcopa Weber	NO	no reply	283	991	
Palo Verde only				10,525	36,837	7,940
38	ROB-LIN Marketing (Vistoso)	yes	no reply	1,228	4,298	
39	Vistoso Partners / Jorde Hacienda	yes	no reply	3,120	10,920	
40	ABCDW, LLC (Vistoso Stanfield 1942)	yes	no reply	1,942	6,797	
41	Vanderbilt Farms, LLC (Thude/Vistoso)	yes	no reply	1,920	6,720	
42	Langley Stanfield Estates (Hay Hollow)	yes	no reply	441	1,544	

GSS-1

EXHIBIT "C"

Status of Request for Service Letters for the ISA										
Developer/Development			ICF/Air recorded		Status of New/IPS		Approximate Units		Approximate Units received	
43	Langley Properties (Stanner 160)	yes	no reply	160	560					
44	Langley Properties (CCB Standfield Estates)	yes	no reply	96	336					
45	Terbus Investments	yes	no reply	40	140					
46	Douglas Payne	yes	no reply	80	280					
47	Matt Montgomery/SPD, INC	yes	no reply	1,200	4,200					
48	E. Dorado, Parker Estates	yes	no reply	640	2,240					
49	E. Dorado, Honda 640	yes	no reply	640	2,240					
50	E. Dorado, Rio Lobo, LLC	yes	no reply	640	2,240					
51	E. Dorado, Big Trail, LLC / Dunmar Farms / B Bennett	NO	no reply	640	2,240					
52	E. Dorado, Loneley Trail / 80	NO	no reply	780	2,730					
53	Langley Properties (Talia West)	NO	no reply	431	1,509					
54	Langley Properties (south part of JV with wolfswinkle)	NO	no reply	843	2,951					
55	Selma & Midway	NO	no reply	221	774					
56	Standfield 370	NO	no reply	370	1,295					
57	BET, Inv.	NO	no reply	60	210					
				15,492	54,224					
58 Legends				yes	received	7,143	25,000	7,143		





LEGEND	PROPERTY OWNER	ACRES (ROUNDED)	ORIGINAL REQUEST FOR SERVICE	UPDATED VERBAL AFFIRMATION	WRITTEN AFFIRMATION	AVC WATER SYSTEM
1	Verde Inc	28	Yes	✓	✓	CASA GRANDE
2	Jell Holt	10	Yes		✓	CASA GRANDE
3	Lenon Whipple	40	Yes	✓		CASA GRANDE
4	Blindfold Properties	90	Yes			CASA GRANDE
5	Harold 840	640	Yes		✓	STAMPELO
6	Parker Stokes	520	Yes		✓	STAMPELO
7	Big Lake	592	Yes		✓	STAMPELO
8	Carmen Associates	40	Yes	✓		CASA GRANDE
9	Langford Stampfold Estates	121	Yes		✓	CASA GRANDE
10	Tekton Investments	40	Yes			STAMPELO
11	Douglas Payne	70	Yes			STAMPELO
12	Hampden & Chambers - Bevilum Offr	207	Yes		✓	STAMPELO
13	REH Group	80	Yes			STAMPELO
14	Jorda Backsda	2,523	Yes		✓	CASA GRANDE
15	REI Holdings - AmeriPh	499	Yes			STAMPELO
16	Cornfield & Sons Limited	80	Yes	✓		STAMPELO
17	Howard Capital	156	Yes			STAMPELO
18	Spack Development	271	Yes			STAMPELO
19	RET Investments	60	Yes			STAMPELO
A	SMI Investments	1023			✓	CASA GRANDE
B	Alison 91th Land	4480			✓	CASA GRANDE
C	BIS Holdings	100		✓	✓	STAMPELO
D	Wingham Altona Land LLC	1,320			✓	CASA GRANDE
E	Red River Castle, LLP	303		✓	✓	STAMPELO

A-7

# EXHIBIT

51



8/4/2009

- 圖 圖 AZW Settlement Boundary**

- ■ ■ Casa Grande MOU Boundary Line

- 
- AZW Stanfield Service Area**

**ICFA:**

- RFS (original)

- RFS (new) - Water & Wastewater

- RFS (new) - Wastewater only

-  RFS (reaffirmed) Wastewater only

-  RFS (reaffirmed) Water & Wastewater

**CC&N:**

- ## Pending Applications

- 
- CP Water Company

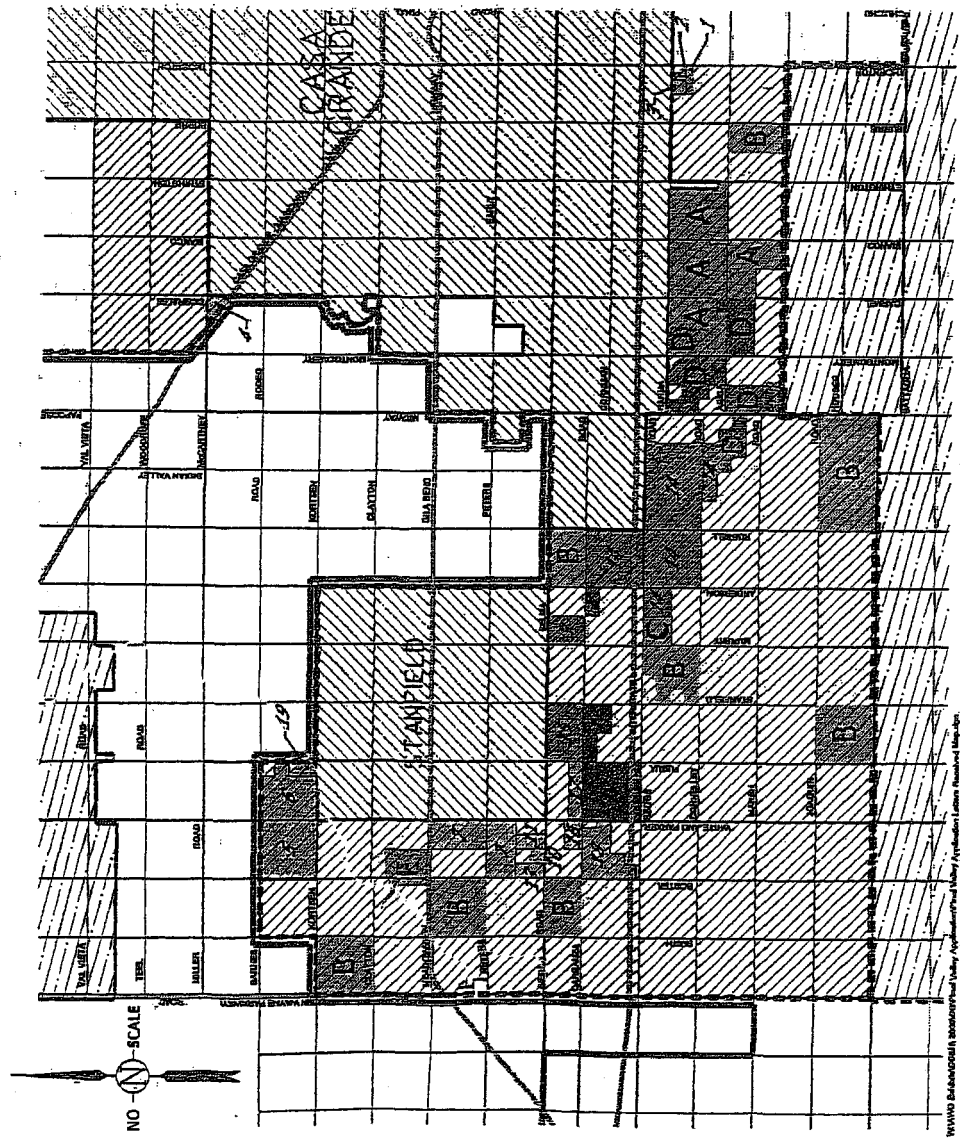
- Francisco Grande Water Company /  
Francisco Grande Utilities Company

**GLOBAL WATERS**  
**DISCLAIMER**  
**GEOGRAPHIC INFORMATION SYSTEM MAP AND DATA**

[illegible]

INFORMATION, VERIFICATION OF ALL DATA, CONTACTED INDIVIDUALS SHOULD BE OBTAINED BY ANY TYPE OF THESE COMPLAINTS OR THE INFORMATION DATA GLOBAL DATABASE. AS A RESULT, NO INFORMATION FOR ANY AND ALL DATA LOSS OF INFORMATION. THE INFORMATION SUBJECT OF THE INVESTIGATION, THE RESULTS OF ANY VERIFICATION INFORMATION INDIVIDUALS OR THE INFORMATION BY ANY PERSON OR ENTITY.

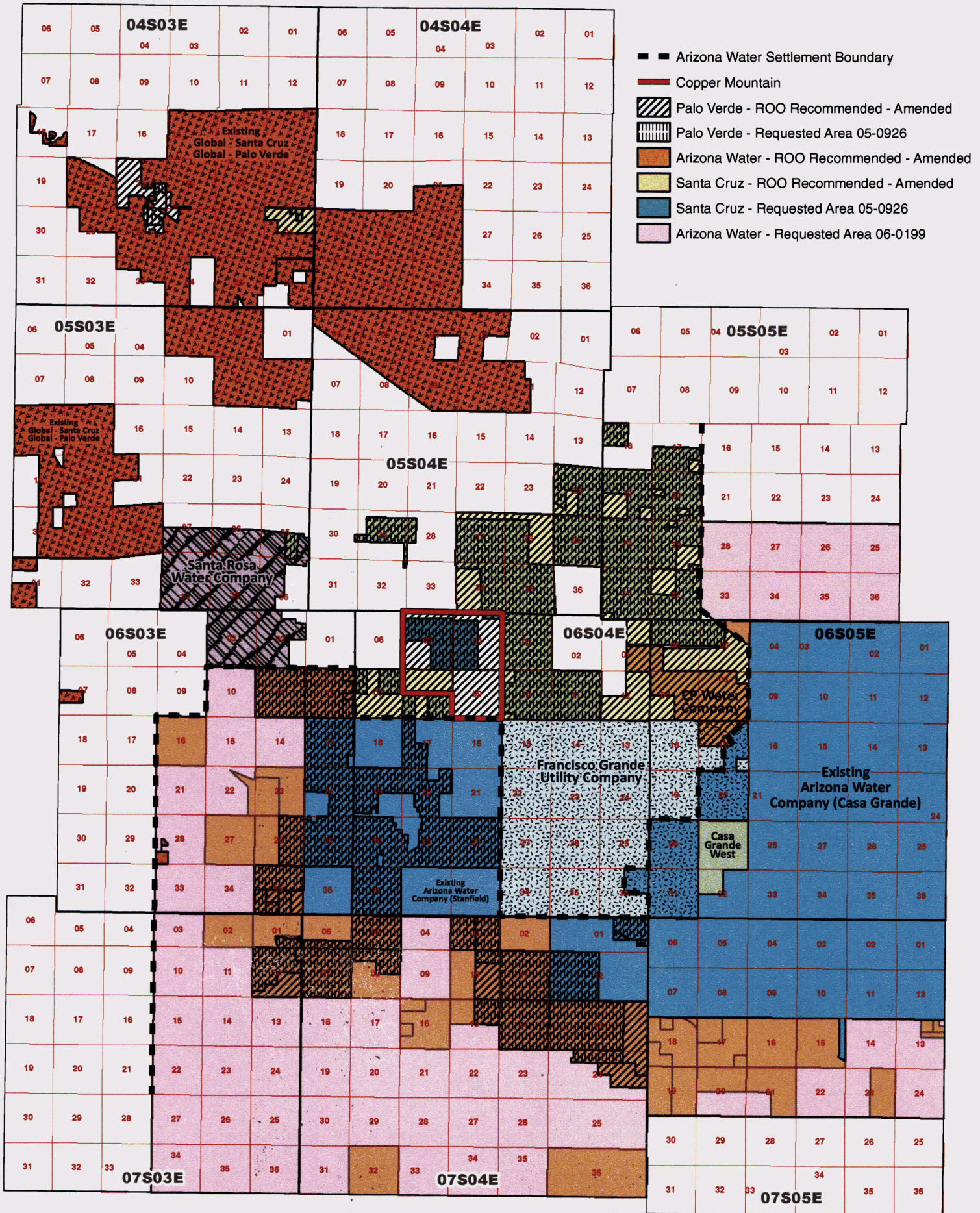
**DECISION NO. 73146**



05/20/2009

LEGEND	PROPERTY OWNER	ACRES INCLUDED	ORIGINAL REQUEST FOR SERVICE	UPDATED VERBAL AFFIRMATION	UPDATED WRITTEN AFFIRMATION	ANC WATER SYSTEM
1	New Joe	28	Yes	✓	✓	CASA GRANDE
2	Bill Hill	30	Yes	✓	✓	CASA GRANDE
3	John Whipple	40	Yes	✓	✓	CASA GRANDE
4	Richard Properties	60	Yes	✓	✓	CASA GRANDE
5	Donald G. H.	600	Yes	✓	✓	STANFIELD
6	Proter Bros	200	Yes	✓	✓	STANFIELD
7	Joe Lajo	864	Yes	✓	✓	STANFIELD
8	Arizona Associated	80	Yes	✓	✓	CASA GRANDE
9	Laying Stranded Estates	24.4	Yes	✓	✓	CASA GRANDE
10	Texas Investments	40	Yes	✓	✓	STANFIELD
11	Angelo Papp	70	Yes	✓	✓	STANFIELD
12	Harpden & Giamber - Southern Blvd	607	Yes	✓	✓	STANFIELD
13	REI Group	80	Yes	✓	✓	STANFIELD
14	Rock Meadows	4,228	Yes	✓	✓	CASA GRANDE
15	2007 United Partnership	610	Yes	✓	✓	STANFIELD
16	Cardinal & Eve Limited	80	Yes	✓	✓	STANFIELD
17	Harvest Capital	150	Yes	✓	✓	STANFIELD
18	World Bank Investment	372	Yes	✓	✓	STANFIELD
19	BAT Investments	353	Yes	✓	✓	STANFIELD
20	Arizona State Land	4400	Yes	✓	✓	CASA GRANDE
21	WT Holdings	150	Yes	✓	✓	CASA GRANDE
22	Highway Arizona Land LLC	1,318	Yes	✓	✓	CASA GRANDE
23	Red River South, LLP	305	Yes	✓	✓	STANFIELD





ROO RECOMMENDED AND COMPANY REQUESTED